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FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM

HEARING

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENANCE PROGRAMS

OF THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

NINETY-NINTH CONGRESS

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CONTENTS

ADMINISTRATION WITNESSES

Page

Hardy, Dorcas R., Assistant Secretary for Human Development Services, Department of Health and Human Services accompanied by Joe Mottola, Deputy Commissioner of the Administration for Children, Youth and Families 3

PUBLIC WITNESSES

Allen, MaryLee, director, Child Welfare and Mental Health, Children's Defense Fund 52
American Bar Association, Mark Hardin, director 32
Association of Junior Leagues, Inc., Susan A. Herrmann, member, Area II Council 120
Blatner, Thomas, director, Division of Youth and Family Services Management Team, New Jersey Department of Human Services 162
Brettschneider, Eric, Deputy Administrator, Special Services for Children, Human Resources Administration of New York City 207
Children's Defense Fund, MaryLee Allen, director, Child Welfare and Mental Health 52
Child Welfare League of America, Inc., David S. Liederman, executive director 91
Gantt, John, executive director, Crossroads Children's Home 145
Hardin, Mark, director, Foster Care Project, National Legal Resource Center for Child Advocacy and Protection, American Bar Association 32
Herrmann, Susan, member, Area II Council, Association of Junior Leagues, Inc 120
Liederman, David S., executive director, Child Welfare League of America, Inc 91
National Association of Homes for Children, John Gantt 145
New Jersey Department of Human Services, Thomas Blatner, director, Division of Youth and Family Services Management Team 162
New York City Human Resources Administration, Eric Brettschneider, Deputy Administrator, Special Service for Children 207
State of Missouri Division of Family Services, Susan Turner, director 183
Turner, Susan, director, Division of Family Services, State of Missouri 183

ADDITIONAL INFORMATION

Committee press release 1
Prepared statement of Dorcas R. Hardy 6
Prepared statement of Mark A. Hardin 34
Prepared statement of MaryLee Allen 55
Prepared statement and a letter from David S. Liederman 94
Prepared statement of Susan A. Herrmann 123
Prepared statement of John Gantt 147
Letter to Senator Armstrong from John M. Gantt 159
Prepared statement of Thomas Blatner 165
Prepared statement of the National Council of State Human Administrators 185
Prepared statement of Eric Brettschneider 209
A report, Abandoned Dreams: New Jersey's Children in Crisis 223

COMMUNICATIONS

Page

American Academy of Pediatrics ... 297
Branca, Edward, Jr ... 300
Concerned United Birthparents, Inc ... 309
Davias, Jeanette I ... 314
Green, Sharon A ... 319
State of Illinois Department of Children and Family Services ... 320
State of Maine Department of Human Services ... 331
State of New York Department of Social Services ... 335
National Network of Runaway and Youth Services, Inc ... 351
National Committee for Adoption ... 362
Sturis, Nancy ... 366
Spencer, Elmer ... 372
Wheeler, Joan ... 373
Buffalo Adoption Lifeline ... 379

FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM

MONDAY, JUNE 24, 1985

U.S. SENATE,
SUBCOMMITTEE ON SOCIAL SECURITY
AND INCOME MAINTENANCE PROGRAMS,
Washington, DC.

The committee met, pursuant to notice, at 2 p.m., in room SD-215, Dirksen Senate Office Building, Hon. William L. Armstrong (chairman) presiding.

Present: Senators Armstrong and Moynihan.

[The press release announcing the hearing follows:]

COMMITTEE ON FINANCE SCHEDULES HEARING ON FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM

Senator Bob Packwood (R-Oregon), Chairman of the Committee on Finance, announced today the scheduling of a hearing on June 24, 1985 of the Subcommittee on Social Security and Income Maintenance Programs. The hearing will begin at 2:00 p.m. in room SD-215 of the Dirksen Senate Office Building.

The hearing will review the operation of the Foster Care and Adoption Assistance program (title IV-B of the Social Security Act) and various proposals dealing with the program's modification. The hearing will be chaired by Senator Bill Armstrong (R-Colorado), Chairman of the Social Security and Income Maintenance Programs Subcommittee.

"The Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272), which created the foster care and adoption assistance program, was enacted with strong bipartisan support. This support continues in Congress," Senator Armstrong pointed out. "The program has not undergone any significant review since it was established. It is clearly time to review the comprehensive set of services, procedures and safeguards provided in this legislation. The provisions were intended to avoid the unnecessary removal of children from their homes, prevent extended stays in foster care and to ensure that efforts are made to reunify children with their families or be placed in adoption."

Senator Armstrong said, "The Administration has proposed certain reforms for the program. The Subcommittee looks forward to receiving testimony from the Administration and from others interested in the program—its implementation and proposals for change."

Senator ARMSTRONG. The subcommittee will come to order.

We are here today to consider the administration's foster care legislation, which I introduced at the request of the administration earlier in this month. In 1980, Congress made substantial, significant changes in the Federal Foster Care Program, and created the Federal Adoption Assistance Program. That law, the Adoption Assistance and Child Welfare Act of 1980, grew out of a bipartisan effort to reform the foster care system across the country. Too many children were spending their childhood lost in the foster care system, moving from one temporary home to another or sometimes to an institution.

The 1980 act addressed the need to find permanent placement, return to home or adoption for those children already in foster care and provide troubled families with services designed to reduce the need for foster care placement. Requirements and incentives were built into the law to achieve those goals. And it is noteworthy, I think, that to a very large extent, this legislation has been successful.

By the end of the 1970's, approximately 500,000 children were in foster care homes. Today, that number is approximately one-half, roughly 245,000. So the committee, I am sure, and our colleagues in the Senate are pleased with that progress, but we believe that more can be done to improve the program, especially to encourage the placement of more difficult to place children.

The legislation before us today builds on the foundation created in 1980 to strengthen the foster care and adoption program. The bill would make amendments to the Foster Care and Adoption Assistance Programs under title 4 of Social Security to help the State reduce the number of children in foster care, to moderate the increase in cost of the Foster Care Program, and to make other program improvements. The proposal would create a program of incentive payments to reward states that increased the number of long-term foster children removed from foster care to permanent homes. States that are unable to make reductions would not be penalized.

This bill would also eliminate practical difficulties in providing Medicaid coverage to adoption assistance children, and would make permanent the temporary provisions of title IV–E, authorizing maintenance payments for certain children voluntarily placed in foster care. The legislation would also modify limitations on Federal funding for the title IV–E foster care program, and the formula for determining a State's allotment when a limitation is in effect.

I should emphasize that the modifications would not eliminate increases in funding in the program, but would slow the total growth in cost. The bill would continue to allow States to provide child welfare services, which were not needed for foster care. Federal funding for adoption assistance payments would remain open ended.

The needs of each child entering a foster care home or institution may differ greatly. Some children may be placed in the foster care home voluntarily for temporary protection of that child until the former home can adequately provide a healthy home life. In other cases, after a period of time, it becomes obvious that certain children can never return to their former home, if they had one. For these children, adoption remains the only alternative if they are to come close to having a normal home life during these very important formative years.

This legislation encourages States to improve their efforts to develop innovative programs for this latter category of children. The purpose of foster care is to provide an interim solution for a child until better home care can be provided and can never be and should not be considered an adequate substitute for a permanent home.

After nearly 5 years of experience in operating the programs created in 1980, the Department of Health and Human Services has developed these proposals to fine tune the existing programs while leaving the basic structure in tact. This legislation is designed to give States needed flexibility and also a financial incentive to get children into permanent home situations.

I'm looking forward to the testimony to be presented, and first would like to recognize Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman. On just a different subject for the moment, our subcommittee doesn't meet that often. It's been almost 2 years since we last met. In the interval, we've passed legislation requiring the Social Security Administration to issue tamper-proof Social Security cards. The Social Security Administration claims to have done so, but there are those who claim that these cards certainly don't meet the purposes of the law. I wonder if at your convenience—sometime in the next 3 or 4 months—we might have a hearing to review the implementation of that statute.

Senator ARMSTRONG. Yes; the question is, Senator, has the Social Security Administration fulfilled the requirements of the law.

Senator MOYNIHAN. And the purpose.

Senator ARMSTRONG. Sure. I'll be happy to arrange a brief hearing on that subject.

Senator MOYNIHAN. I would appreciate it.

Senator ARMSTRONG. Did you have an opening statement on this?

Senator MOYNIHAN. A brief statement to say this is an appropriate and important hearing on an important subject. The Child Welfare and Adoption Services Act of 1980 was, I believe, the only piece of social legislation adopted during the Carter administration, and the only piece of social legislation adopted in the last decade.

I think it does appear to have had an impact. If, indeed, we have cut in half the number of children in foster care while diverting them to adoption, the legislation would appear to have a powerful effect. I certainly want to hear from Secretary Hardy about this.

I have introduced a bill, S. 1329, Mr. Chairman, on the same subject, and some of the witnesses here will address themselves to that.

I thank you for the opportunity to speak and look forward to our witnesses, especially Secretary Hardy.

Senator ARMSTRONG. Thank you, Senator Moynihan.

On that cheerful note, we are pleased to welcome Dorcas R. Hardy, Assistant Secretary for Human Development Services, Department of Health and Human Services. Secretary Hardy, we are delighted to have you here and eager to hear your testimony on this legislation.

STATEMENT OF HON. DORCAS R. HARDY, ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, WASHINGTON, DC

Secretary HARDY. Thank you, Mr. Chairman.

I'd first like to tell you that I am accompanied today by Joe Mottola, Deputy Commissioner of the Administration for Children, Youth, and Families.

I have some brief remarks to make, and then would certainly entertain any questions.

As you have stated, 5 years ago, the Congress enacted the Adoption Assistance and Child Welfare Act (Public Law 96-272), which did seek to restructure the Federal role and our participation in programs for child welfare and foster care and created a new role in adoption assistance. At this point, 5 years later, we see that Public Law 96-272 has had a very positive impact on the welfare of our children. But we should also note that improvements began before the enactment of Public Law 96-272, when as a part of the same public concern and policy debate that you both alluded to hear that engendered and put together the law, states at that time and before began on their own a series of very innovative programs and demonstration projects. These programs and demonstrations were solidified when we put together the Federal law. And at that point, improvements in the system were accelerated.

We have seen the numbers reduced dramatically from about 500,000 children in foster care in 1977 to approximately 260,000 in 1983. And in addition, the length of time that children stay in foster care has decreased.

States have made significant progress in permanency planning, the concept that you spoke about briefly: That every child deserves a permanent home, either with his or her biological parents, or if that is not possible, then the child should be free for adoption and have an adoptive family.

We had about 100,000 children in foster care who were free for adoption in 1977, and today, about 54,000 children are still free for adoption and not yet adopted. About 18,000 of those children are in adoptive placement, so we have still got 36,000 who are not yet placed.

So our conclusions that things are much better, that we've made significant improvements in conjunction with the States, are very positive, but we aren't quite there totally yet. Therefore, we have proposed some modifications in the Foster Care and Adoption Assistance Programs, as recently introduced in S. 1266.

Briefly, we would like to create a program of incentive payments to reward States that reduce the number of children who have been in federally financed foster care for more than 24 months. Now I did note that there are trends in terms of the number of children in foster care and the duration of stay, both of which are coming down. And there has also been a reduction in the children who have stayed over 24 months from about 58 percent of the foster care population to 40 percent of the foster care population.

But it's this group of children who have been in foster care for more than 2 years for which we especially want to see improvements and see them moving into permanent homes.

And I do want to emphasize here that this is a positive incentive—that States who are unable to make reductions in the number of this group of children, who are unable to meet a threshold of a 3-percent reduction, would not be penalized.

We do specifically and emphatically reject the notion that this bonus could lead State and local officials to take actions which are detrimental to the best interests of the child or could lead to, as some would say, dumping long-term foster care children out of the system to earn this bonus. I believe very strongly that the State and local officials who are responsible for these programs are professionals and they do have the best interests of our children at heart.

It should also be noted that States can earn this bonus amount not only by moving children out of foster care after 2 years and into permanent homes, but also by preventing children who have entered the system more recently from staying as long as that 2-year period.

Our second proposal is to include Medicaid eligibility in a new State of residence for children who are eligible for adoption assistance and who move to another State. This would, we feel, resolve the uncertainty of continued Medicaid coverage when an adoptive family moved. And as we all know, we move a great deal in this country.

And also we want to make permanent to the provisions of title IV-E which authorize Federal matching of foster care maintenance made on behalf of certain children who are voluntarily placed, and we would like to modify the limitations on Federal funding for the title IV-E Foster Care Program.

This is the most rapidly increasing segment of our program costs, and a piece of that is claims for administrative costs. In 4 years, our Federal expenditures for State administrative costs have multiplied more than 4½ times while the Federal expenditures for maintenance payments to foster care parents have remained relatively steady. And the title IV-E caseload has remained fairly constant, with a slight but steady decline.

So although we certainly agree that these are very important programs for children that require continued Federal participation, we also believe that we need to make a better effort to control the rapid increase in costs.

Our proposal does that. It reduces the indexing provision for the conditional foster care ceiling to an annual adjustment of the lower of 5 percent, or the Consumer Price Index. It makes some other modifications and also requires the States to submit claims within 1 year of expenditure instead of the current 2 years.

Now these financial management provisions are intended, clearly, to reduce rather than prohibit increases for the Foster Care Program. And we think with these management improvements that we can continue to serve children well and continue to keep up the reduction in those numbers in foster care.

As we look back, the original Public Law 96-272 was carefully crafted, very much of a bipartisan bill. I look forward to continuing to have that kind of debate based on our 5 years of experience and to make needed reforms that serve our children.

I would be happy to respond to any questions that you or your colleague may have.

Senator **Armstrong**. Thank you very much.

[The prepared written statement of Secretary Darcas R. Hardy follows:]

STATEMENT

BY

DORCAS R. HARDY
ASSISTANT SECRETARY
FOR
HUMAN DEVELOPMENT SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY
AND INCOME MAINTENANCE PROGRAMS
COMMITTEE ON FINANCE
UNITED STATES SENATE

JUNE 24, 1985

Mr. Chairman and the Members of this Committee, I appreciate the opportunity to appear before you today to discuss the foster care and adoption assistance programs, and the Administration's proposed amendments to these programs. Before I discuss the specifics of our proposed changes, I would like to give a brief summary of our experience over the past five years in administering these very important programs for the welfare of children, and of the emerging trends in the needs for these services.

Five years ago, the Congress enacted the Adoption Assistance and Child Welfare Act of 1980, which restructured the Federal role and participation in programs for child welfare and foster care, and created a new role in adoption assistance. As the members of this Committee know, the 1980 Act was the result of a major bipartisan effort, and a thorough review of the benefits and problems in the existing system, especially the increasing extent to which children placed in foster care tended to remain there indefinitely. It appeared that the public child welfare system had become a receiving or holding system for children living away from parents, rather than a system that assisted parents in carrying out their roles and responsibilities or provided alternative placement for children who could not return to their own families.

In response, the Congress:

- required States to set up systems to keep track of children in foster care and to actively and periodically plan actions needed to get them out of foster care into permanent homes;
- created financial incentives tied to the implementation of these protections, including eligibility for additional title IV-B funding and transfer of unused funds from foster care to child welfare services;
- created conditional limitations on foster care funding;
- created Federal assistance for an important permanent placement option -- adoption subsidies for special needs children in foster care who cannot be reunited with their natural family.
- created a requirement that States strengthen their child welfare program by establishing or improving programs to help prevent placement of children in foster care in the first place.

Five years later, these new programs are well underway. All but two States have implemented the new adoption assistance program, and all States have met the title IV-E planning requirements for the revised foster care program. Programs of preplacement preventive services have been established in most States to assist families in crisis and to screen entry of children into the foster care system.

Most important has been the effect on the welfare of children. We should note at this point that improvements began before the enactment of P.L. 96-272, when as part of the same public concern and policy debate that engendered P.L. 96-272, States began on their own a series of innovative programs and demonstration projects. These beginnings were solidified by the new Federal law, and improvements in the system were accelerated.

Since the mid-1970's, there has been a significant decrease in the number of children in foster care, from more than 500,000 in 1977 to approximately 270,000 in 1983. In addition, the length of time that children stay in foster care has decreased, from a mean length of time in care of 47 months in 1977 to 33 months in 1983; and a median length of time in care of 31 months in 1977 to 19 months in 1983.

These decreases have occurred despite annual increases in reporting of child abuse to child protective services agencies ranging from an increase of 24 percent in 1977 to an increase of 9 percent in 1982. The relationship between reports of child abuse and neglect and placement of children in foster care is of course not necessarily direct, given the range of alternatives available to child protective agencies. However, 48 percent of the children in foster care are from substantiated cases of abuse and neglect; we might therefore expect some sizeable increase in foster care, given the increase in reporting of child abuse cases from 516,000 in 1977 to 929,000 in 1982. That is the period however, as I have already mentioned, during which the foster care system showed substantial decline in numbers and duration of placement of foster care children.

In addition, States have made significant progress in permanency planning. The best result, of course, is for a child to be able to return to his or her biological family.

But if that is not possible, for whatever reason, placing the child in an adoptive home should be the permanency plan of choice.

In 1977, 102,000 children in foster care were free for adoption but not yet adopted, with 52,000 of these children not yet in pre-adoptive homes. In 1983, there were 54,000 children in the foster care program free for adoption but not yet adopted. Of these, 18,000 were in pre-adoptive homes and 36,000 had not yet been placed.

The conclusion - that States have made significant improvements in their child welfare, foster care, and adoption assistance programs over the past five to seven years - is obvious. It is also clear that these improvements show real gains for children in terms of shorter stays in foster care and increased permanency in their lives.

Legislative Proposals

In this context, I would next like to describe the Administration's proposals for modifications in the foster care and adoption assistance programs. Since I have just described the programs established by the 1980 Act as successful, I will not be describing any proposals for massive change or significant restructuring of these programs.

What we are proposing, outlined in the recently introduced S.1266, is a series of modifications intended to fine tune the program and address specific problem areas, while retaining the basic structure.

1. Create a program of incentive payments to reward States that reduce the number of children who have been in Federally financed foster care for more than 24 months.

Earlier I noted the trends in reduction of numbers of children in foster care and duration of stay in foster care. In another category - children who have been in foster care over 24 months - there have been reductions, but only from 58 percent in 1977 to 40 percent in 1983. It is this group of children who have been in foster care more than two years for which we want to see improvements and permanent homes.

Therefore, States that in any of fiscal years 1988, 1989, or 1990 reduce by at least 3 percent below the prior year's total the number of children in Federally financed foster care more than 24 months will receive payments of $3000 per child for these reductions.

States could use this bonus payment money for any purpose under title IV-E (foster care and adoption assistance), title IV-B (child welfare services), or title XX (the Social Services Block Grant). We believe that States can use this flexible services money to strengthen their child welfare programs under any of these specific funding authorities.

I want to emphasize here that we regard this as a positive incentive. States that are unable to make reductions in numbers of this group of children, or unable to make the threshold three percent reduction, would not be penalized. We also emphatically reject the notion that this bonus could lead State and local officials to take actions detrimental to the best interests of the child - to "dump" long term foster care children out of the system to earn this bonus. We believe strongly that the State and local officials responsible for these programs are professionals with the best interests of children at heart.

This proposal, rather, is a recognition that children who have been in foster care for more than 24 months are among the most difficult to help. After this length of time in the foster care system, reunification is a less feasible goal, and for older children adoption is also more difficult.

In this context, it should also be noted that States can earn this bonus amount not only by moving children out of foster care after two years and into permanent homes, but also by preventing children who have entered the system more recently from staying as long as 24 months, by more quickly planning and carrying out permanency planning activities. Since this approach also reduces the number of children counted as being in foster care for more than 24 months, it also assists States in reaching their threshold level for bonus eligibility.

Finally, I would point out that the ultimate financial incentive for the States already exists in the program. The average annual cost -- in Federal, State and local dollars -- of maintaining a child in the foster care system is about $5000 a year. To the extent that States can move children who must be placed in foster care more quickly through the system and into permanent placement, the more they can save literally millions of dollars in foster care costs which can then be applied to other priority services needs for children.

2. Improve Medicaid Eligibility of Children Eligible for Adoption Assistance Payments

The second proposal addresses a problem in implementing what we believe is the intent of the original legislation. Since many "special needs" children need the support of extensive medical services, children who are adopted under the title IV-E Adoption Assistance program are thereby deemed eligible for medical assistance in the form of Medicaid.

The difficulty lies in instances where the adoptive parents move to another state. The adoption subsidy payments continue, as does the child's Medicaid eligibility -- but the eligibility is guaranteed only for the original state of residence. In these cases, adoptive parents may not be able to find medical providers willing to accept an out-of-state Medicaid card. The uncertainty of continued Medicaid coverage if the family were to move may prohibit or discourage some families from adopting special needs children. It certainly causes difficulties for those families led to expect continued medical support.

We are therefore proposing that children for whom a title IV-E adoption assistance agreement is in effect be eligible for Medicaid in the State where they reside. We believe that this assurance of Medicaid eligibility will further enhance the effectiveness of this program by making sure that medical services continue to be available for those IV-E children who need them.

A related proposal will eliminate the requirement that an adoption assistance payment must be made in order to assure a child's Medicaid eligibility. Some children need only Medicaid coverage; their adoptive parents do not need payments for routine subsistence maintenance of the child. However, the child's handicap may be so substantial that without medical coverage, the potential adoptive parents cannot afford to adopt the child.

This has forced some States to make token monthly payments of as little as $1.00 to adoptive parents in order to maintain Medicaid eligibility for the child. Thus our proposal would deem children found eligible for adoption assistance (permanently placed pursuant to a final or interlocutory adoption decree), and with an adoption agreement in effect, to be Medicaid eligible regardless of whether or not an adoption assistance payment is made.

3. Make permanent the provisions of title IV-E which authorize Federal matching of foster care maintenance payments made on behalf of certain children voluntarily placed in foster care.

During the debate that led up to P.L. 96-272, one issue raised was whether or not to include in the Federal program children placed voluntarily in foster care. Witnesses stated that in the case of a voluntary request of a parent for the child's placement, unnecessary court proceedings place additional stress on the family and could result in a traumatic experience for the child. Further, witnesses believed that these proceedings wasted the time of the court and the caseworker, and resulted in increased costs to the community.

Consequently, when Congress enacted the Adoption Assistance and Child Welfare Act of 1980, authority was included to allow Federal payments for certain children placed voluntarily in foster care, with certain conditions and protections -- and for a three-year period only. That temporary authority has now twice been extended on an annual basis.

In our most recent report to the Congress on our experience with this authority, we reported the results of a study of State use of voluntary foster care. That study found that:

- Children in foster care under voluntary placement agreements were younger and more likely than children in court-ordered placement to have been placed because of family conflict or family conditions such as temporary parental absence, financial hardship, illness, disability or substance abuse of a parent or child.

- Both voluntary and court-ordered placements received similar types and amounts of case planning and social services attention from the agencies involved, including preplacement preventive services. The services were goal-oriented as envisioned by the statute, and reflected concern for the achievement of permanency for the child.

- The study found virtually no differences in service delivery to foster care children which might be uniquely associated with whether or not the child was in care under a voluntary placement agreement or a court order.

Consequently, the study concluded that the use of the court system is not required to control and assure that services are delivered to those in voluntary placement when the State has implemented the important safeguards. Further, the use of voluntary foster care allows some States to provide temporary foster care and reduce the use of unnecessary and costly court procedures when a voluntary agreement would suffice.

Since 1981, State participation in the voluntary placement provision has increased steadily. In Fiscal Year 1984, 15 States claimed over $2.5 million in Federal matching funds for an average monthly number of over 1000 children voluntarily placed in foster care. Some States do not permit voluntary placements, but we believe this option is useful to the States that wish to use it and beneficial to children and families.

4. Modify the limitations on Federal funding for the title IV-E Foster Care program.

Costs for the title IV-E Foster Care program are rapidly increasing. The most rapidly increasing segment of program costs are the claims for administrative costs. In four years, Federal expenditures for State administrative costs have multiplied more than 4 1/2 times - from $32 million in FY 1981 to $147 million in FY 1984, from 10.5 percent of Federal payments to States in FY 1981 to one-third of Federal payments to States in FY 1984. Meanwhile, Federal expenditures for maintenance payments to foster care parents have remained relatively steady - $272 million in FY 1981 to $298 million in FY 1984, and the title IV-E foster care caseload has remained fairly constant but with a steady decline, from 106,000 in FY 1981 to 100,000 in FY 1984.

Although we agree that these are important programs for children that require continued Federal participation, we also believe that there must be some effort made to reduce the rapid increase in costs, particularly when the most rapidly increasing costs are not those involving direct payments for foster care maintenance. In addition, the provisions in the current law for distribution of funding and indexing of costs were created in response to 1978 conditions. Finally, since States have two years in which to submit claims, we are forced over long periods of time to continually revise and re-estimate program costs and needs.

In the interests of better financial management of this program, in addition to control of costs, we have made a number of proposals:

- Make the conditional limitations on foster care funding effective for any fiscal year in which at least $200 million is appropriated under title IV-B of the Act.

Under current law, the "trigger" amount is $266 million. Current - and proposed Fiscal Year 1986 - funding for title IV-B is $200 million. We are also proposing to delete the provision that the conditional limitation applies only if the triggering amount for title IV-B is included in an advance appropriation, an extremely unlikely possibility.

Thus the conditional limit on foster care funding would be triggered. We are not, however, proposing a permanent freeze on funding for this program.

- Modify the "indexing" provision to allow funding for the foster care program to be adjusted annually by the lower of five percent or the Consumer Price Index.

The law we now operate under reflected economic conditions and the varied state of foster care in 1978 by allowing funding to be adjusted by the lesser of 10 percent or the Consumer Price Index. Given the significant decrease in the rate of inflation since 1978, we think it is appropriate to update the indexing factor to reflect present conditions.

State foster care programs have matured considerably since 1978. Program cost increases at the State level are now the result of inflation and increases in claims for administrative costs, rather than large increases in the number of children being served by State foster care systems. Given that the rate of inflation has decreased dramatically and that State cost increases are now closely related to inflation, it is appropriate to adjust State allotments by the lesser of the Consumer Price Index or 5 percent.

- Make other modifications to the allocation formula.

Currently, the base year for purposes of calculating States' allotments, with certain variations, is essentially Fiscal Year 1978. We are proposing that each State's share of funding be proportional to its share of foster care funds for Fiscal Year 1984 (including any funds transferred to title IV-B). States would also retain the authority to transfer unused foster care funds to the title IV-B program.

We are also proposing a one-year freeze on costs for the foster care program, given the current emphasis on budget control and reducing the deficit. We are therefore asking that Fiscal Year 1986 funding be held at the level of estimated costs for Fiscal Year 1985, $485,423,000.

- Require States to make claims for Federal financial participation for the Foster Care and Adoption Assistance programs within one year after the expenditure.

Currently, States are allowed two years to make these claims for these programs. The vast majority of claims (over 90 percent) are now received within one year - showing significant improvement in State financial management systems - however, a certain small percentage continue to trickle in up to the end of the two year period, extending the time period for which we request supplemental amount for prior year claims from the Congress, and making short-term financial planning extremely difficult.

The financial management provisions I have just described are intended to reduce cost increases for this program, rather than prohibit increases. We believe States are making significant progress in providing preventive services and improving the permanent placement of children, and will be able to control costs for this program without reducing services to those children in need of temporary foster care.

Mr. Chairman, this concludes my prepared remarks. I would like to thank you again for the opportunity to share information about our foster care proposals. The title IV-E programs were created based on thorough debate of a bipartisan nature. I would like to invite you and your colleagues to begin again that sort of debate as part of our review of the last five years of experience with these programs and our discussions of proposed changes.

I will be happy to respond to any questions you may have.

Senator Armstrong. Senator Moynihan, questions?

Senator Moynihan. First of all, would it be your view that we have here social legislation that has quite an extraordinary impact on behavior and experience?

Secretary Hardy. I think there are a lot of reason that have contributed to the significant and positive decline of the number of children in foster care, of which Public Law 96-272 is certainly a strong part.

Senator Moynihan. You go back to 1977, when the foster care population was 500,000. I gather those data may not be precise. Five hundred thousand. Maybe only once in a million times does it comes out 500,000.

But it was more than 270,000—its level today. If I recall, in 1981, the administration wanted to fold the Foster Care and Adoption Programs into a block grant. And that was passed by the Senate, but failed in the conference.

Secretary Hardy. We had discussions of incorporating parts of this into the block grant.

Senator Moynihan. Well, we didn't have discussions. We passed the bill here. And you no longer would want to do that? The program is standing on its own and is working.

Secretary Hardy. I think our opportunity today is to look at the program as it is currently structured and try and make the best proposals for what we currently have.

Senator Moynihan. Don't be afraid to say you have changed your mind. That is certainly an acceptable mark of a mature professional.

I mean the administration so changes it mind on this.

Secretary Hardy. Correct.

Senator Moynihan. OK, fine. They were very new in 1981.

Let me ask you this though: Is there a problem that warrants capping an entitlement under the Social Security Act? It means a lot to a lot of people. If you start saying that the amount of money available under title IV-E is going to be a fixed, save for annual inflation adjustments, are you not capping an entitlement? Mr. Mottola, do you have any thoughts on that? Are we capping an entitlement program?

Secretary Hardy. No. We are proposing to limit the rate of growth, but it's still going to go up.

Senator Moynihan. We will argue when it comes to that.

What is the proposal?

Secretary Hardy. The proposal is to have a 5-percent increase or the Consumer Price Index, whichever is less.

Senator Moynihan. Yes. We will be adjusting for inflation. It runs about three or four or something like that. A cap may be a good thing; it may be a bad thing. it could be something of no consequence or another. But your proposal would place a cap on the entitlement—on a title of the Social Security Act—would it not?

Secretary Hardy. In my estimation, a cap is a ceiling, it's a flat figure. Under our proposal, funding still continues to rise. It does slow the rate of growth, clearly.

Senator Moynihan. That's not so. An entitlement program says that all persons meeting certain criterions of eligibility are entitled to the provision. It meets the demand of whatever it happens to be.

A provision that says the amount of money is x, that it will go up by an inflation adjustment or a 5-percent adjustment is no longer an entitlement.

You are going to say that, with this 5 percent, the program is not capped. Yet, that changes the nature of the program. We are not supposed to do that.

Mr. Mottola, would you comment?

Mr. **MOTTOLA**. Because of the experience we have had, I would agree that there would have to be some sort of a change in the basic entitlement nature of the program. We were not construing it that way. We were basing our proposal on the experience that we've had, which shows that the true entitlement portion of this program has not had wide fluctuations in the 4 years in which we have been operating it.

If we look at the statistics for 1981 through 1984, we can see that the maintenance payments, which are the true entitlement part of this program, have ranged from $260 million up to perhaps $295 million. In 1981, they started out at $272 million.

So what we are seeing is not a growth in the entitlement portion for maintenance costs of this program, at least not a dramatic growth in that portion of the program, but a dramatic growth in the administrative cost part of the program, which also is a part of the entitlement because if the States pay for legitimate expenditures, then we are required to make payments for those expenditures.

But what we have been paying for on a rapidly rising basis has been administrative costs as opposed to the maintenance costs, which have remained relatively stable.

Senator **MOYNIHAN**. Perhaps you could give us some breakdown of those two numbers. Why do you think that's so?

Mr. Chairman, I don't want to use up all our time.

How do you interpret this?

Mr. **MOTTOLA**. Well, it's a phenomenon that to some extent, I believe, was envisioned in the original bill. I think we all had the expectation that there would be increases in the administrative component of this program, because there were certain things that were payable under Public Law 96-272 that were not payable under the former AFDC Foster Care Program.

However, what we have had are 4 years' worth of experience now under the program and we do not see these administrative costs tending to level off. As Secretary Hardy said, they have gone up by four times. The amount that——

Senator **MOYNIHAN**. Why?

Mr. **MOTTOLA**. To be frank, we are not entirely sure why.

Senator **MOYNIHAN**. You intended them to go up somewhat. You intended there to be more such activity.

Mr. **MOTTOLA**. There was an expectation that there would be more activity in the administrative area. The bill requires the determination and redetermination of eligibility, for instance, that's eligible for administrative participation. The law requires fair hearings and appeals. It requires rate setting.

And then there are other pieces that are inherent components of this. But the fact is what we have are some States which are reaching the point where they have more expenditures in the administrative cost area than they have for maintenance payments for the program. And in some States, as Secretary Hardy says, the number of children in foster care has come down dramatically, but the administrative costs have gone up. And so we see something of an imbalance here.

Senator **Moynihan**. When we passed this legislation in 1979 we said that the adoption assistance program will be successful to the extent that its costs increase. Our object is to get children out of foster care and into adoptive homes.

Now what extent of your administrative costs represents an increased effort to find adoption opportunities? Would they come under that?

Mr. **Mottola**. There are also administrative costs that are part of the Adoption Assistance Program. And those are a separate piece from the administrative costs that we are talking about.

Senator **Moynihan**. They are separate?

Mr. **Mottola**. They are separate.

Senator **Moynihan**. So you could help us out on this? Just give us the numbers. We are not seeing here just the extra effort to place hard to place children?

Secretary **Hardy**. No; in terms of the Adoption Assistance Program, Senator, that is a different amount of money and that has risen from about $4 million to $45 million.

Senator **Moynihan**. And that's what you want?

Secretary **Hardy**. We have been promoting adoptions very vigorously.

Senator **Moynihan**. We will get those numbers sorted out.

We are familiar with this. Under title XX, a State which shall be nameless, had been expanding social services at an extraordinary rate. No one could find out quite why until we found out one State was submitting bills for the highway maintenance on the grounds that, well, how are you going to get to a hospital if the roads aren't in good shape. It was an ingenuous thought at best.

In our little blue book that our very able staff puts together on these things, there is a chart of the population, age zero to 18, on page 4. And you can see that the size of this population is declining. Today there are nearly 9 million fewer children from a peak in 1969. Could you give us projections to the end of the century? This population is going to go up again, isn't it?

One of the reasons that we may have this decline in the foster care population is that the total population of children has declined. What do you know about the next 10 years? Is the foster care population going to go up from what it is now?

Secretary **Hardy**. I don't have that off the top of my head, Senator. We've consistently heard discussions of more children, a new baby boom, et cetera. I'm not convinced that anyone is going to see 71, 75, 74 million children zero to 18 years of age in the near future.

Senator **Moynihan**. You don't see it in these numbers. Would you ask the Bureau of——

Secretary **Hardy**. We certainly could try and do some projections on that.

Senator **Moynihan**. Yes. Will you? You do your best and sometimes it is very good. These are the best numbers I think we turn out in this Government. We will know a lot more about this legislation in that way.

[The information from Secretary Hardy follows:]

POPULATION

1. Number of Children by Age and Race. The total number of children has fallen since the early 1970s but is projected to rise somewhat during the 1980s through the year 2000. The number of preschool children has already begun to increase, and is projected to increase further by the end of this decade. The number of teenagers will continue to decline through 1990, with a projected increase by the year 2000. The number of black children has remained stable through the 1970s, but will rise slightly in the 1980s, with an increase projected by the year 2000.

Number in Millions

	1960	1970	1980	1982	1990	2000
Total Aged 0-17	64.2	69.6	63.7	62.7	64.3	67.4 (million)
Age						
0 - 5	24.3	21.0	19.6	20.6	23.0	21.3
6 - 11	21.7	24.6	20.7	19.0	21.8	22.9
12 - 17	18.2	24.1	23.3	22.3	19.5	23.2
Race						
White	55.5	59.1	52.5	51.4	52.0	53.5
Non-white	8.7	10.6	11.1	11.3	12.4	13.9
Black	N/A	9.5	9.4	9.5	10.3	11.4

Note: "Non-white" refers to all races other than white, and includes Blacks, Indians, Japanese, Chinese, and any other race except White. Blacks comprise the great majority of non-whites. People of Spanish origin can be of any race.

Source: U.S. Bureau of the Census. "Projections of the Population of the United States: 1982 to 2050," Current Population Reports, Series P25, No. 922, Table 2 (middle series projections), "Preliminary Estimates of the Population of the United States by Age, Sex and Race, 1970 to 1981." Current Population Reports, Series P25, No. 917, Table 1, 1970 Census volume. "Characteristics of the Population, U.S. Summary, "Table 52, 1960 Census volume. "Characteristics of the Population, U.S. Summary," Table 155, "Projections of the Population of the United States, by Age, Sex, and Race, 1983 - 2080," Current Population Reports, Series P25. No. 952.

Senator MOYNIHAN. Mr. Chairman, thank you.

Senator ARMSTRONG. Thank you, Senator Moynihan.

Could we just pin down one thing, Secretary Hardy? There is, I think, a sense of satisfaction that the number of young people in foster care has declined. Have we bottomed out or have we gone as far as we can under the existing legislation?

Secretary HARDY. I don't think so. I think we can continue that downward trend. There has been some discussion that perhaps it has leveled off, but we have one problem, one large State that has a significant problem, and if we take that number out, we've only had about a 600-child increase nationwide. So we may be leveling a little bit but I still think we can keep the numbers of children in foster care going down significantly.

Our adoption numbers keep going up. We've got room for expansion there. And with a real cooperative effort, I think we can keep these foster care numbers going down.

Senator ARMSTRONG. What about older children? Does the Department have or do the States have programs that are aimed specifically at encouraging the adoption of older children?

Secretary HARDY. We've been concerned about that, and we have——

Senator ARMSTRONG. I take it that's where the problem is?

Secretary HARDY. Depending on how old is older, but, yes, most of our children would be over 10 years of age, so the older children, in terms of the 16-, 17-year-old going out of foster care, may not get into the adoption cycle. Those children we have been concerned about, and have tried to address many of our research and demonstration dollars to that. And I think we are getting to be fairly successful.

We have done some independent living programs, and some demonstrations with a couple of the States. Clearly emancipation is a permanency placement option. And at the age of emancipation, how can we work with these kids? How can we get them well trained, make sure they finish school, make sure they have got some skills for job opportunities? And it's more than just the foster care system that then works with that child. I think we are seeing some successes in that area, significant ones.

Senator ARMSTRONG. Thank you. Thanks also for——

Senator MOYNIHAN. Could I ask one more question?

Senator ARMSTRONG. Sure, go right ahead.

Senator MOYNIHAN. The chairman has questioned about the older children intolerance. Foster care population is going down. Good. That was our objective.

Now I don't know that adoptions are going up. And I have a thought, if the chairman will bear with me, his anecdotal, gray-haired colleague here. I came to Washington with President Kennedy in 1961. The first assignment I had was working with Jones over in what was then HEW and Dr. Felix, of the Veterans' Administration, on a great study that Congress had commissioned in the 1950's on the care of the mentally ill.

This study was commissioned at the advent of the use of tranquilizers to treat mental illness. The problem of mental illness seemed out of control in 1950 and suddenly it seemed that it could be controlled. And the proposal was made to take people out of those mental institutions and bring them into community care.

So we put together all these proposals and President Kennedy was very supportive of them. And in 1962, the Community Mental Health Services Act was developed with the idea of providing community treatment facilities for persons in mental hospitals.

And it's not many Americans who know, I think, that today the population of our mental hospitals has been cut by approximately three-quarters since 1950. There are about 25 percent as many people in mental institutions today as there were 30 years ago, 40 years ago.

And yet suddenly we look at what we have. We have a problem called the homeless. And to an extraordinary degree the homeless turn out to be persons who would have been in mental institutions. And somewhere between releasing them from the mental institutions, we did not arrange the community care that has been recognized as an essential therapy.

And the next thing you know, there is not a major city in this country that doesn't have a problem with homeless persons. There is a shelter four blocks from where we are sitting.

So we forgot what we had intended to do, when we made the change. We didn't follow through on it. So what I would like to be sure of is that if foster care goes down, we should determine that adoption is going up.

If you don't agree with me, say so.

Secretary **Hardy**. The Community Mental Health Program is under the Alcohol, Drug Abuse, and Mental Health Administration, not HDS, although that still is part of the Department of Health and Human Services. I understand and we definitely are concerned that that certainly doesn't happen.

But it seems to me that we also need to be aware of the differences of the kind of population we are dealing with and that the——

Senator **Moynihan**. I just used it as an analogy. I mean that if you move people out of here, you are supposed to receive them over there. If you do the one and forget the other, the next thing you know, you have a problem you can't explain.

Secretary **Hardy**. I'm more concerned that as young adults do leave foster care that they do have——

Senator **Moynihan**. That is a big problem, those who are 18. I guess it's at 18 you age out. Those people in foster care who are 18 are declared no longer eligible for assistance.

Some 18-year-olds in New York City will find an apartment. They have been living in foster care and maybe graduated from high school, but probably are still in school. And then what?

But you know more about that.

Thank you.

Senator **Armstrong**. Thank you, Secretary Hardy.

Thank you for developing this proposal. I congratulate you on it, and we will see if we can do some good with it.

Secretary **Hardy**. Thank you, Mr. Chairman.

Senator **Armstrong**. We are now pleased to welcome Mr. Mark Hardin, director of the foster care project, National Legal Resource

Center for Child Advocacy and Protection, American Bar Association.

And Mr. Hardin, I believe from reviewing the summary of his testimony, may not be as enthusiastic about this legislation as the administration is, but we are nonetheless eager to hear his observations and knowing of his concern and expertise in this matter, we are glad that you have come to be with us today.

Mr. Hardin.

STATEMENT OF MARK HARDIN, DIRECTOR, FOSTER CARE PROJECT, NATIONAL LEGAL RESOURCE CENTER FOR CHILD ADVOCACY AND PROTECTION, AMERICAN BAR ASSOCIATION, WASHINGTON, DC

Mr. HARDIN. Thank you, Mr. Chairman.

I am director of the American Bar Association foster care project, and I appreciate the opportunity to testify at this oversight hearing on the Adoption Assistance and Child Welfare Act.

The American Bar Association strongly supports the Adoption Assistance and Child Welfare Act, and is committed to its effective implementation. Attached to my written testimony are copies of resolutions of our house of delegates in support of the act. However, since the house of delegates had taken no position specifically on oversight, the views I am presenting today are my own views.

I have worked full time on children's law issues for 10 years, and since August 1980 I have been the director of the ABA foster care project. In this capacity I have worked with bar groups, judges, legislatures, advocacy groups throughout the United States on implementation of the Federal act. Our project has also participated in studies on the implementation of the act. It has conducted educational programs and has written on the act in numerous monographs, articles, and books.

In the course of directing this project for the last 5 years, I have observed substantial improvements in State foster care programs. This has included improvements in planning for foster children and has resulted in reductions in the number of foster children inappropriately placed or placed for prolonged periods of time. It is clear to me that the act has been, in part, instrumental to these improvements. And I believe that we can be justifiably proud of our progress in addressing what is a very critical social problem. And we can be proud, I think, of the positive effect of national policy and leadership in this particular area.

With due regard to this progress, however, the Adoption Assistance and Child Welfare Act has not been fully and consistently implemented. I would like to address briefly just one of a number of areas in which this is the case, that is, the availability of services to preserve families.

As you know, one of the principal purposes of the act was to assure stronger services to keep families together and to reunite separated families. Yet judges who review agency efforts to prevent placement and reunite families are finding the following:

First, beyond case planning and some counseling for case workers, there are few other services consistently provided by many State agencies. Services are generally unevenly distributed within many States, and a particular type of service may run out in midyear because of inadequate budgeting. Further, no clear agency policy generally exists defining what services are available and under what conditions.

To remedy these problems, the Federal Government needs to increase targeted funds for these services. These funds have never reached the levels originally contemplated by the Adoption Assistance and Child Welfare Act, and this has been contributed to by reductions in funding under title XX.

In addition, the Federal Government should require States to establish explicit and public descriptions of what services to preserve families shall be made available. That is, each State should be required to establish explicit descriptions of services, descriptions that are publicized. These descriptions should have the effect of law and they should cover what services are to be available on a statewide basis. If this is done, it will help assure that coherent programs will be developed by States and that State agencies will become more accountable to the citizens of their States concerning what services are available to preserve families.

I have also several very brief comments regarding the amendments to the act proposed by the administration. First, overall administration support of the act is implicit in this set of proposed amendments, and we would like to express our gratification for this support.

Second, I am convinced that the proposed changes in Medicaid eligibility for children receiving adoption assistance will, first, release States of needless administrative burdens; and, second, provide more reliable means of assuring medical services.

Finally, with regard to the other complex provisions relating to bonuses, placing limits on allotments—since my time is limited, I would just like to say that I would urge great caution with regard to these. There is a potential for negative effects on foster care practice. The overall effect may be a limitation on services, on funding available for services, and the amendments may inadvertently create incentives for practices that we don't want to encourage. For example, consider the proposed bonus program in relation to older adolescents. If the bonus program were established, States could financially benefit where children are allowed to be summarily emancipated without careful services for independent living. I don't suggest for a second that the States would do this maliciously, but rather the incentives created by a bonus program may, in effect, reward that type of practice rather than what we want, which is improvement in services.

Senator ARMSTRONG. Mr. Hardin, I appreciate your statement. And I apologize that we are constrained to have to try to keep to the time. You understand the problem. I wish it were otherwise.

[The prepared written statement of Mr. Hardin follows:]

STATEMENT OF

MARK A. HARDIN, DIRECTOR
FOSTER CARE PROJECT
NATIONAL LEGAL RESOURCE CENTER
FOR CHILD ADVOCACY AND PROTECTION,
YOUNG LAWYERS DIVISION

on behalf of the

AMERICAN BAR ASSOCIATION

before the

SUBCOMMITTEE ON SOCIAL SECURITY AND
INCOME MAINTENANCE PROGRAMS

COMMITTEE ON FINANCE
UNITED STATES SENATE

concerning

OVERSIGHT OF THE
ADOPTION ASSISTANCE AND CHILD WELFARE ACT
(PUBLIC LAW 96-272)

June 24, 1985

Mr. Chairman and members of the Subcommittee, I am Mark Hardin, director of the American Bar Association's Foster Care Project. This project is one of the activities of the ABA National Legal Resource Center for Child Advocacy and Protection. I appreciate the opportunity to appear before you today at this oversight hearing concerning the Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272. The American Bar Association strongly supports Public Law 96-272 and is committed to its effective implementation. Copies of two resolutions of the ABA House of Delegates are attached as Appendix "A" to this statement. However, because the ABA House of Delegates has not taken a position on oversight of the Act, the views that I am presenting today are my own.

I have worked full time on children's law issues for 10 years, and since August 1980 I have served as Director of the American Bar Association's Foster Care Project. In this capacity I have worked with bar groups, judges, state legislatures, and advocacy groups throughout the United States on implementation of the Adoption Assistance and Child Welfare Act. The Foster Care Project has participated in studies on the implementation of the Act, has conducted educational programs on the Act in all parts of the United States, and has written on the Act in numerous monographs, articles, and books.

In the course of directing the ABA Foster Care Project for the last 5 years, I have observed significant improvements in state foster care systems. Planning for abused and neglected children in foster care has improved, and the numbers of children inappropriately placed in foster care or left in care for prolonged periods have been substantially reduced. I am convinced that the Act has had a major influence in bringing about these improvements. The Act has been useful not only in requiring specific program improvements by state child welfare agencies, but has also been helpful to state advocacy groups, bar organizations, judges, and others seeking improvements and changes in their child welfare systems.

But while the results of the Adoption Assistance and Child Welfare Act of 1980 have been impressive, the Act still has not been fully and consistently implemented throughout the United States. Today I would like to address two areas of particular concern: the Act's provisions regarding services to preserve families, and its provisions establishing procedural protections for children and families.

Services to Preserve Families

The Adoption Assistance and Child Welfare Act includes a number of interrelated provisions to provide services to help avoid the unnecessary separation of children and families. Among these provisions are:

- Mandatory state-wide preventive and reunification service programs;
- Additional federal funding for preventive and reunification services;
- Mandatory preventive and reunification services for each child eligible under Title IV-E of the Social Security Act; and
- Judicial screening of agency efforts to prevent placement and reunify the family, for each child eligible under Title IV-E who is in foster care pursuant to court order.

In spite of the above requirements, actual services designed to preserve families have not yet been made widely and consistently available. When judges review child welfare agency efforts to prevent placement and reunify families, as is required by the Act, they are frequently faced with the following difficulties:

- Very few services are actually provided to keep families together other than case planning and counseling assistance by social workers.

- Services are very unevenly distributed within states.

- Where a specific type of service is provided, it is often available sporadically and unpredictably. This sometimes occurs because state or local budget allocations for a particular type of service are allowed to run out in the middle of a fiscal year.

- No clear agency policy exists defining what services are available and under what conditions.

I believe that Congress has an important role in addressing these problems. It is critical that Congress continue and increase the targeting of funds to support services to preserve families. Such services can include, for example, emergency shelter, day care for special needs children, homemaker services, temporary housekeeper services, and parent training. These types of "hard" services have proven to be particularly effective in keeping families together and limiting children's stay in foster care.

In addition to sufficient levels of funding targeted for preventive and reunification services, additional federal leadership is needed to ensure that states establish coherent service programs. While states should retain discretion to develop programs adapted to their local needs, they should be required to establish explicit descriptions of their services and to specify those that are to be provided on a state-wide basis. State-wide services should include more than case planning and undefined "counseling" provided by the same caseworkers responsible for case planning. Such state-wide service programs should be set forth either by state statute or by regulations having the force of law.

Procedural Protections to Children and Families

One of the key areas addressed by the Adoption Assistance and Child Welfare Act of 1980 is that of procedural protections for children and families. The Act contains a number of procedural protections, all designed to improve the fairness, accuracy, and thoroughness of decision-making in child welfare cases. Among them are:

- Judicial screening of preventive and reunification services (the "judicial determination of reasonable efforts");

- Review of cases at 6-month intervals by a court or administrative body;

- Decision-making ("dispositional") hearings to take place within 18 months after placement of a child in foster care;

- Administrative "fair hearings" for disputes concerning benefits provided by the Act; and

- Undefined "procedural protections" for disputes concerning placement and visitation of foster children.

There has been significant federal enforcement and implementation of the 6-month review and 18-month hearing requirements. Nevertheless, further clarification and better enforcement of these requirements is still needed. With regard to the other procedural protections listed above, implementation has been very limited and extremely uneven.

In my opinion, a stronger federal commitment to enforcing and clarifying these provisions of the Act is needed. State agencies have been slow to implement them partly because many questions of interpretation have not been clarified by the federal government and partly because enforcement of some of these provisions has been weak. In addition, to the extent that the Act requires judicial actions but provides no funding for courts, implementation has been difficult.

Amendments to the
Adoption Assistance and Child Welfare Act
Proposed by the Administration

Concerning the proposed amendments, I would first like to commend the Administration for the support of P.L. 96-272 which is implicit in its bill. The proposed amendments would leave the major provisions of the law intact. Administration support of P.L. 96-272 is vital to the hundreds of thousands of foster children throughout the United States.

Also especially commendable is Section 4 of the draft bill. This amendment relates to the payment of Medicaid benefits on behalf of certain children receiving adoption assistance. The amendment would allow Medicaid payments to be made by the state in which children receiving adoption assistance reside, while present law requires that payments must be made by the state in which an adoption assistance agreement was entered into. The amendment should eliminate the formidable administrative difficulties involved in making interstate Medicaid payments, and thereby should facilitate the adoption of children with special needs.

The need for such an amendment was demonstrated in a recent conference on adoption assistance here in Washington. Members of state agencies and adoption advocates from all over the United States described the severe problems in the interstate payment of adoption assistance and urged that Medicaid payments for children receiving adoption assistance be made by the state in which the child resides.

Concerning other parts of the administration bill--to establish bonuses for states reducing the numbers of children in long-term foster care, to limit the amount of federal funding under Title IV-E, and to revise the state allotment formula for Title IV-E--I have several concerns about their possible impact. I believe that it is essential not only to carefully analyze them but also to collect data as to their likely impact.

First, I am concerned that the tighter limits on federal matching funds for foster care may negatively affect the amount of federal funds targeted for foster care services. This is because Public Law 96-272 allows states to transfer unused portions of its allotment for federal foster care matching funds and apply them to services to families. If foster care funds are limited, then less "unused" foster care funds may be available for transfer to services to families. Current language allowing such transfers appears in 42 U.S.C. §674(c).

As explained earlier, there is a need to increase funds especially targeted for services to keep families together.

Second, I am concerned that limiting the amount of foster care funds could indirectly reduce money available for services to natural families. Limiting federal funds for foster care may cause states to make up the shortfall in federal foster care matching funds funds with state monies that otherwise would have been available to pay for services. While limiting federal matching funds for foster care may be desirable eventually, it is premature at this time simply because comprehensive alternative services programs to prevent placement are not yet in place in most states.

Third, I am concerned that limiting the amount of federal foster care matching funds may cause states to reduce the level of payments to foster parents and cancel programs to provide foster care training. This may adversely affect the quality of care available to abused and neglected children. Many states throughout the country are experiencing difficulties in recruiting, screening, and training foster parents.

Fourth, I am concerned about the exact nature of the incentives that would be created by the proposed bonuses to states that successfully reduce the numbers of children in long-term foster care. Under the Administration proposal each state that reduced by 3% or more in a given year the number of foster children who had been in care for 24 months or more would receive a bonus. The bonus would amount to $3,000 for each child removed from long-term foster care during the year.

I certainly applaud the goal of reducing the number of children remaining in foster care for more than 24 months, but I fear that a bonus program which merely rewards annual reductions in the number of children in long-term foster care might not actually reward good practice. For example, a state with substantial year-by-year fluctuations in the number of children in long-term foster care would benefit under the Administration's formula more than: (1) a state with a steady decline of such children; or (2) a state that already had greatly reduced the number of children in long-term foster care prior to the enactment of the amendment.

I appreciate the opportunity to express these views and to once again affirm the commitment of the American Bar Association to the full implementation of the Adoption Assistance and Child Welfare Act of 1980.

APPENDIX "A"

RESOLUTION OF THE HOUSE OF DELEGATES
OF THE
AMERICAN BAR ASSOCIATION
ADOPTED AUGUST, 1980

BE IT FURTHER RESOLVED, That the American Bar Association supports federal legislation which will provide funding for child welfare services, mandate case reviews and concrete plans for children in foster care, encourage states to provide families with services to prevent unnecessary out-of-home placements, require legal protections for all children and parents receiving these services and create adoption assistance programs to help expedite permanent planning for children with special needs.

REPORT*

Social Services and Child Welfare Amendments

Amendments to the Social Security Act have been proposed in the 96th Congress (H.R. 3434) to make needed reforms in child welfare and social services programs, to strengthen and improve the program of federal support for foster care of needy and dependent children (many of whom were placed in foster care because of abuse or neglect), and to establish a program of federal support to encourage adoption of children with special needs.

These reforms directly address systemic shortcomings which adversely affect children and their families. One such problem is the widespread practice of allowing children to linger in foster care, often moving from one foster home to another and thereby depriving them of any sense of permanence, stability, and belonging.[4] Other problems addressed by the bill include a lack of adoption inducements and a scarcity of family reunification services.

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[4] See, e.g., Children's Defense Fund, CHILDREN WITHOUT HOMES (1979); National Commission on Children in Need of Parents, WHO KNOWS? WHO CARES? FORGOTTEN CHILDREN IN FOSTER CARE (1979).

To overcome these deficiencies, the amendments call for adoption subsidies for children with special needs, e.g., the physically handicapped or developmentally disabled, greater funding for family services, periodic reviews of children in foster care, and case plans to evaluate the continuing need and appropriateness of out-of-home placements. In short, the proposed legislation seeks to alleviate family traumas by limiting unnecessary separations of children from their families and, where removal is appropriate, reuniting children with their families or providing them with adoptive families as soon as possible.

The amendments have already been overwhelmingly passed by both houses of Congress. In March, 1980, a House-Senate Conference Committee agreed to a compromise version which is currently pending in both houses. The Young Lawyers Division, National Legal Resource Center for Child Advocacy and Protection, with grant support from the Edna McConnell Clark Foundation, is currently addressing many of the issues raised by H.R. 3434. For example, under the Resource Center's leadership, the Young Lawyers Division will be providing training for lawyers to become more actively involved in the foster care review system so that each and every child placed in foster care will be assured of his or her most basic right: To be raised and cared for by responsible, loving adults in a permanent home.

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*This Report was submitted to the ABA House of Delegates along with the proposed resolution. Although the Report is included here for informational purposes, only the approved resolution is the official policy of the Association.

The above Report was prepared prior to Congressional passage of H.R.3434 and the subsequent enactment of Public Law 96-272, which incorporated most of its provisions. The Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272) was approved on June 17, 1980, prior to the formal action on the above resolution by the House of Delegates of the American Bar Association.

RESOLUTION OF THE HOUSE OF DELEGATES
OF THE
AMERICAN BAR ASSOCIATION
ADOPTED AUGUST, 1981

BE IT RESOLVED, that the American Bar Association encourages individual attorneys and state and local bar organizations to work more actively to improve the handling of cases involving abused and neglected children as well as children in foster care. Specifically, attorneys should form appropriate committees and groups within the bar to help develop better state legislation, court rules, and administrative regulations related to all stages of these proceedings; should participate in multidisciplinary teams and other community activities in which they can interact with members of other concerned professional groups; and should work to assure quality legal representation for children, parents and child welfare agencies.

REPORT *

This resolution is prompted by two recent developments related to child neglect and dependency cases:[1] The United States Supreme Court decision in Lassiter v. Department of Social Services ___U.S.____ (Decided June 1, 1981) and the enactment of the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272).

In the Lassiter case, the Supreme Court held that the Constitution does not always require the appointment of counsel for indigent parents in every judicial proceeding to terminate parental rights, but that courts must decide on a case by case basis whether appointed counsel is constitutionally required.

The American Bar Association has concluded that the profound interests of all parties in the outcome of neglect and dependency proceedings and the possibility of error in these cases requires that qualified counsel always be available at all stages of the proceedings.[2] Without adequate legal representation for all parties in these cases, the flow of complete and accurate information to the court is impaired. The result may be children left in dangerous living situations, unnecessarily separated from their families, unnecessarily spending their childhood without benefit of a stable home, or unnecessarily losing all contact with their natural parents.

The legal profession can help assure that parties are represented in these cases by supporting legislation to that effect at the state level. Such legislation should provide for a level of compensation for representation which is commensurate with both the difficulty and time involved. At present, there are many states in which statutory changes in these areas are needed. In addition, attorneys can work at the state and local level to establish better education, training, and standards for practice to assure that counsel are adequately prepared for an area of legal work which is extremely complex and subtle.

Many states and communities have child protection teams, councils and committees in which social workers, physicians, and mental health professionals participate in individual case planning and child welfare system improvement. It is important for attorneys to be involved with these groups in order to assure that "the entire protective service process is informed by legal judgement, increasing the chances that 'good preventive law' and ethical practice in the area of child protection will occur."[3] Further, the educational efforts of the bar in this area can be enhanced by collaboration with other professionals involved with these matters.

*This report was submitted to the ABA House of Delegates along with the proposed resolution. Although the Report is included here for informational purposes, only the approved resolution is the official policy of the Association.

The recent passage of the Adoption Assistance and Child Welfare Act of 1980 (P.L. 96-272) highlights the need to improve state law concerning intervention on behalf of abused and neglected children.[4] Supported by the American Bar Association in an August, 1980 resolution of its House of Delegates, the Act includes a comprehensive package of systemic reforms designed to prevent the unnecessary and unnecessarily prolonged placement of children in foster care. The reforms required by the Act should not only improve the handling of dependency and neglect cases by child welfare agencies, but also juvenile court and administrative proceedings.

State legislative changes are required because many state statutes still incorporate previous federal requirements and do not include the reforms required by the Act. Further, more than technical compliance with the new changes is needed. Because the Act incorporates broad system reforms, and because many of its requirements are flexible, a thorough review of relevant state law is called for to assure a cohesive incorporation of the spirit of the reforms required by the Act. Active involvement of the bar in the process of legislative reform is therefore needed to assure that new state legislation embodies the reforms included in the Act, establishes sufficient procedural protection for children and parents, and establishes an appropriate role for attorneys and the courts in implementing the reforms.

The American Bar Association has demonstrated continuing commitment in this area through its support of the National Legal Resource Center for Child Advocacy and Protection, a program of the Young Lawyers Division which has as its primary focus the improvement of the legal process related to these proceedings.

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[1] "Neglect and dependency" proceedings include child abuse and neglect cases and other juvenile court (and ancillary) actions related to these cases, including termination of parental rights.

[2] Institute of Judicial Administration/American Bar Association, Joint Commission on Juvenile Justice Standards, Standards Relating to Counsel for Private Parties (1980), §2.3(b).

[3] Bross, Donald C., "Multi-Disciplinary Child Protection Teams and Effective Legal Management of Abuse and Neglect," in Protecting Children Through the Legal System, ABA National Institute Manual, National Legal Resource Center for Child Advocacy and Protection/National Association of Counsel for Children (June, 1981) at 506.

[4] The Act was responsive to a variety of studies critical of the previous federal role in the foster care system.

Senator ARMSTRONG. Senator Moynihan.

Senator MOYNIHAN. Sounds like the Supreme Court. We don't get up and walk out when the red light goes on.

I just wanted to say, first of all, that that is a good testimony, and I want to thank the bar association for having the foster care project. It has meant a great deal to us. These are singularly situated persons. They are minors, and they are typically wards of the court.

We can now estimate that about 32 percent of the children born in 1980 will receive public welfare before they are age 18. The rates of illegitimacy in the Nation's population are very high, probably higher than the statistics will ever suggest. And that child starts out with the prospect of foster care and possibly of adoption and certainly of dependency.

You speak, though, of services that serve families. I don't mean to argue with you, but that's a pretty elusive proposition, you know. I'd like to know about the services that serve families. We could use a lot more of them, couldn't we?

Mr. HARDIN. Yes, sir; I'm referring specifically to the services now provided under 96-272 to prevent placement, and in services designed to reunite families. Generally, the services come into play to prevent placement. The services come into play generally after there is some indication of some severe family strain or possibly even abuse that may cause the family to be disrupted. So, we are talking about a form—a certain type of services that are provided after particular strains and difficulties on the families have come to the attention of a protective service agency.

Senator MOYNIHAN. Yes.

May I just make nothing more than the obvious point, but it's a point that needs to be made. I refer to the children born today. Some of them will be on public welfare before they are 18. And as a society, we are not very good at preserving families. And we need an awful lot of learning and effort to know how to do this.

I see that you agree, Mr. Hardin.

Mr. HARDIN. There are certain specific types of services that have been developed in the last 5 or 10 years perhaps, which are specifically designed to deal with families in crisis—for example, homemaker services, certain emergency day care for special needs of children. There are others here who I think will testify later who are perhaps more knowledgeable than I, but there are certain types of service programs which have been useful to agencies really in more than one way. First, the services are useful in preventing placement, and also useful in helping to gather better information regarding the family at the same time so that we are able to make a long-term decision without unneeded delay.

Senator MOYNIHAN. I'm sure they help, but the overall ecological fact is that we are in a lot of trouble and it's getting worse.

But thank you, sir, for being where you are.

Mr. HARDIN. Thank you for this opportunity to testify.

Senator ARMSTRONG. Mr. Hardin, you mention in your testimony that the proposal in the administration bill would reward States that have large year-to-year fluctuations in their foster care number. And that this might not necessarily encourage a socially desirable behavior.

I just want to pin down one thing. I didn't read in your statement that you were objecting to the notion of giving a reward, or, I think, a bounty, as you refer to it, for behavior, if it's the right behavior. You were questioning whether or not this would encourage that kind of behavior. Do I read you right? I don't want to mischaracterize what you have said. I want to be sure I understand.

Mr. **Hardin**. I'm not rejecting in principle any system of incentives for correct behavior. I'm saying with regard to this particular one, if—if it were revised, and I would have to look at whatever the revision would happen to be——

Senator **Armstrong**. Anything to suggest along those lines?

Mr. **Hardin**. No; I don't have a suggestion. I think that establishing incentives for changes in behavior is a very, very difficult thing to do well. I'm concerned that some of the programs contemplated by 96–272 have been really incompletely implemented, as I said before. And it concerns me that the bill would set restrictions on funding before these other requirements are fully implemented.

Senator **Armstrong**. Well, I thank you for your observations. And let me just say that the door is open after the close of the hearing today if you have a further thought about that. You make a good point, and it's one which we will be concerned about as we consider this legislation.

Senator **Moynihan**. Would you take a look at S. 1329 and see if anything lends itself to you in this alternative bill?

Mr. **Hardin**. Yes; I will.

Senator **Armstrong**. Thank you, Mr. Hardin.

We are now pleased to welcome a panel consisting of: MaryLee Allen, director, child welfare and mental health, Children's Defense Fund; David S. Liederman, Child Welfare League of America; Susan Herrman, Association of Junior Leagues; and John Gantt, Crossroads Children's Home of Fort Wayne, IN, accompanied by Ian Morrison, chairman, Public Affairs Committee, National Association of Homes for Children in Washington.

While the panel assembles, may I ask if there is anyone still here from the Department? Anybody in the room here from the Department?

[No response.]

Senator **Armstrong**. I neglected to mention to Secretary Hardy that Senator Long and perhaps some other members of the committee will have some questions which they wish to submit for the record. And I think Mr. Stern or someone will see to it that that gets to the Department. And we would be grateful if you would give us a response so that we can incorporate it into the record.

Senator **Armstrong**. I think it is beyond the scope of this hearing, Senator Moynihan, but the point you make about the numbers of children who will receive public welfare, and more regrettably not the fact that they receive it, but the fact that they are in circumstances which require or qualify them for such assistance, is a sad fact. And it is well beyond the scope of what we are doing this afternoon, but it's something that we might think about.

In that connection, some people, including some thoughtful authors, have expressed the sense that the reason for this dramatic, even shocking, phenomenon in our society is the establishment within our society of incentives not for protecting families but for breaking them up. And that's exactly what we are seeing evidence of.

I wish we could pursue that this afternoon. I don't think we can, if we are going to get our business done. But at the right time, we ought to follow up on that.

Senator **Moynihan**. Mr. Chairman, I gave the Godkin lectures this spring on that subject, and I would welcome an opportunity to follow up.

Senator **Armstrong**. You know, I regret to say that I wasn't aware of that, and maybe I should send off for the transcript of that.

Senator **Moynihan**. That was a big mistake you made, Mr. Chairman. [Laughter.]

You shall have a copy in your office when you return this afternoon.

Senator **Armstrong**. Could I have a copy of the executive summary? [Laughter.]

No; I would be happy to have that. I have been doing some reading on that subject, and I share your sense of concern, even alarm, about that kind of a trend.

Well, we are pleased to welcome the panel. And may I just recognize them in the order of which they appear on my agenda, beginning with Ms. Allen.

STATEMENT OF MS. MARYLEE ALLEN, DIRECTOR, CHILD WELFARE AND MENTAL HEALTH, CHILDREN'S DEFENSE FUND, WASHINGTON, DC

Ms. **Allen**. Thank you. Mr. Chairman and Senator Moynihan, I am MaryLee Allen, director of child welfare and mental health at the Children's Defense Fund. I am pleased to have the opportunity to appear before you today as you review implementation of Public Law 96-272, the Adoption Assistance and Child Welfare Act, and explore further reforms necessary to strengthen the act.

CDF, like the other organizations with me on the panel today, has been involved in 96-272 since its very beginning, almost 10 years ago now. Therefore, we have a sincere interest in seeing the act made to work even better for children.

I agree with the previous witnesses that significant progress has been made over these past 5 to 7 years on behalf of children without homes. Public Law 96-272 has proven to be an effective catalyst for the States in reforming their laws to put in place a framework that will help ensure permanent families for children.

In my written statement. I describe in detail some of the progress that has been made to date, and I ask that my statement be made a part of the record of today's hearing.

In my brief time today, I want to talk about only one of the groups of children addressed by Public Law 96-272. These are the children about to enter care today, tomorrow or a month from now. By focusing on the front end of the system on the need for preventive and reunification services. however, I do not suggest that the Children's Defense Fund does not support reforms in other areas. Certainly as our written statement indicates, we are extremely supportive of those provisions in S. 1266 and S. 1329 that improve supports for special needs children in adoptive families, older adolescents about to leave care without families to return to, and also supports for foster parents and other caretakers who we are asking to care for increasingly troubled children. However, I know that other members of this panel and the following panel will be addressing each of these areas in some detail.

CDF believes it is essential, as you attempt to improve the circumstances for children already in the system, that you not lose sight of the front door of the child welfare system. It is only by addressing the needs of children entering care and trying to either keep families together where possible or to reunify families quickly, if that's appropriate, that we will really be able to affect the child welfare system of the future.

As your staff data and materials show, preventive and reunification services were one of the initial focuses of Public Law 96-272. However, 5 years later, as Mark Hardin indicated, a substantial gap still remains between laws and policies in this regard and State and local practices affecting children and families.

The promises of Public Law 96-272, in our view, have not been realized in this area for several reasons. First, because States have been hit with substantial cutbacks in Federal resources over the last several years; and, second, because there have been additional fiscal pressures on the States. Third is the fact that virtually every State has seen increasing reports of abuse and neglect that have required many States to transfer or redirect resources from needed prevention and reunification services to crisis cases.

When Public Law 96-272 was enacted in 1980, it was anticipated that by fiscal year 1986, $1.2 billion in funds would have already been available to the States under the title IV-B child welfare services program, and that States would have received about $15.5 billion in title XX funds. These are cumulative figures and do not take into account inflation over the period 1981 through 1985.

However, when we look at what has happened with funding for these programs over the last 5 years, we see a different picture. The reality is that States have received 29 percent less under the title IV-B program than had been anticipated, and 14 percent less under the title XX program, a program which many States draw upon for services in this area.

In part as a result of reduced Federal funding, child welfare staff have been cut and many programs have been curtailed. At the same time, as I mentioned earlier, virtually every State has experienced increased reports of abuse and neglect, forcing the redirection of limited resources to crisis services.

A recent survey just completed by the National Committee for Prevention of Child Abuse reported increases in 42 States in reports of abuse and neglect between 1983 and 1984. Many of these increases were in excess of 15 percent. As a result, in some States that had been seeing decreases in the number of children entering care, there have actually been increases in the number of children now coming in.

I urge the subcommittee not to neglect the children at the front door of the system as you look at reforms in the child welfare area. Specifically, there is a need for an increased appropriation for the title IV-B child welfare services program, an increase in the authorization for the title XX social services block grant, and, particularly important, the continued ability of States to transfer unused foster care funds to be used for prevention and reunification services.

I also recommend that the subcommittee explore whether there might not be ways to allow States to use limited title IV-E foster care funds for alternative services to keep families together or to reunify families, if these can be shown to result in reduced foster care dollars.

The Children's Defense Fund certainly recognizes the commitment to Public Law 96-272 that the committee has shown over these past 5 years, and we look forward to working with you as we try together to strengthen it.

Thank you.

Senator ARMSTRONG. Thank you very much.

[The prepared written statement of Ms. Allen follows:]

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TESTIMONY OF
THE CHILDREN'S DEFENSE FUND

BEFORE THE
SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENANCE PROGRAMS
COMMITTEE ON FINANCE
U.S. SENATE

HEARING ON
THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT
AND RELATED PROPOSALS

June 24, 1985

Presented by
MaryLee Allen
Director, Child Welfare
and Mental Health
Children's Defense Fund

SUMMARY

The Adoption Assistance and Child Welfare Act, enacted in 1980, has been an effective catalyst in encouraging states to establish laws, policies and procedures that encourage permanence for children.

-- States are now more likely to have basic information on the children in their foster care systems.

-- Most children in foster care now have written case plans which identify their needs and permanency goals and are reviewed periodically.

-- More special needs children have been adopted with the assistance of federal funds under the Title IV-E program.

-- There is increasing recognition in policy and program of the value of preventive and reunification services.

Significant gaps still remain, however, between these laws and policies and the practice involving individual children in the states. Immediate federal attention is needed in the following areas, some of which are addressed by S. 1266 and the Adoption Assistance, Foster Care, and Child Welfare Amendments of 1985:

-- Increased support for the adoption of special needs children by expansion of medical assistance and post-adoption services;

-- Continuation of federal foster care eligibility for children voluntarily placed in care;

-- Increased resources to establish and expand preventive and reunification services;

-- Increased and improved training for foster parents and staff of group residences;

-- Establishment of plans and programs to assist older foster children in making the transition from foster care to independent living; and

-- Increased reporting to Congress on the child welfare, foster care, and adoption programs operated by the states.

Chairman Armstrong and members of the Subcommittee, I am MaryLee Allen, Director of Child Welfare and Mental Health at the Children's Defense Fund (CDF), and I am pleased to have the opportunity to appear before you today on behalf of CDF as you review implementation of the Adoption Assistance and Child Welfare Act (P.L. 96-272) and related child welfare programs and examine various proposals to address these programs. The Children's Defense Fund, a privately funded public charity, was first involved in the development of P.L. 96-272 ten years ago and has followed closely its implementation since its enactment in 1980. We are very pleased the Subcommittee has taken this opportunity to review the benefits for children and their families that have resulted from P.L. 96-272 and to explore improvements which must be made in the federal foster care, adoption assistance, and child welfare services programs if the goal of P.L. 96-272 -- permanent families for all children -- is to become a reality.

CDF first appeared before the Finance Committee to express its concern about children at risk of placement and in out-of-home care in 1977. At that time we were involved in a major study of children in foster care systems across the country and were concerned about the problems of anti-family bias and gross public neglect that characterized the care many of these children received. We shared with you findings from our study that were later published in 1979 in Children Without Homes: An Examination of Public Responsibility to Children in Out-of-Home Care. This afternoon I would like to review with you the progress that has been made since 1977 in addressing those problems, describe what more needs to be done on behalf of the hundreds of thousands of children still at risk of out-of-home placement or in care, and in that context describe how we believe the proposals currently before the Finance Committee move us closer to making permanent families a reality for all these children.

Progress on Behalf of Children Without Homes

The Adoption Assistance and Child Welfare Act enacted in June 1980 was designed to address many of the problems identified in Children Without Homes, other national studies, and studies conducted in approximately 15 individual states. It built upon reforms being instituted in numerous states and localities to facilitate "permanency planning." It picked up momentum during its five years of consideration by the Congress and had an impact on states' policies and procedures even before its actual passage. Although implementation of the Act's services and protections has been impeded by the budget cuts of the last several years and other fiscal pressures on states, advances on behalf of children without homes and their families can be evidenced in many communities and states across the country.

Increased Awareness of Individual Needs

When CDF testified before you in 1977 on the results of our survey, we shared our finding that public agencies knew little about the children for whom they were responsible. Child welfare officials responding to our survey could not provide data on the race of 54 percent of the children reported to be in out-in-home care; the age of 49 percent of the children; the length of time in care for 53 percent; the number of moves for 87 percent; or the legal status for 73 percent. Only two of our seven study states were even attempting to gather statewide data within the child welfare system. Children were frequently lost. They had no case plans that set forth goals for their care. They were not reviewed periodically. They were children like Dennis S. who at age 17 was entering his sixteenth foster home after having been surrendered for adoption at birth by his mother.

The Adoption Assistance and Child Welfare Act attempted to address this gross public neglect of children and failure of state responsibility by requiring states to track the progress of individual children in care and ensure that they benefit from a number of substantive protections instituted on their behalf. It required states to conduct an inventory of all children who were in foster care under the responsibility of the state for six months, and to establish a statewide information system that would allow the state to determine the status, demographic characteristics, location and goals of placement for every child in foster care currently or within the preceding twelve months. Further the Act requires that each child have a written case plan that describes the care and services being provided and their appropriateness in ensuring permanent placement for the child; it also mandates a two-tiered system of periodic case reviews to ensure appropriate care and services and to assess the adequacy and timeliness of efforts to provide a permanent family for the child.

I am pleased to say that tracking and planning mechanisms like those described above have helped to significantly reduce the number of children lost in the foster care system. There are fewer children left adrift without anyone knowing who they are, where they are or how long they've been there. Most states have made at least one major attempt to inventory the children charged to their care. And others have gone beyond that in getting sophisticated tracking systems up and operating. The American Public Welfare Association, with a grant from the Department of Health and Human Services (HHS), received aggregate data from 47 states and the District of Columbia describing children in foster care during various periods in 1981 and 1982. Although useful descriptive data were available from only less than half of the states, they represented a significant advance over five years earlier, and the 1983 data reflect even further improvements. Data from these systems should now be collected by HHS and reported to Congress to enable a careful review of state progress.

Children also have a greater chance today of being more than a number. They are less likely to be invisible than they were in 1977. Most children in care today have some form of a written case plan. All states have also instituted some form of semi-annual case review. In the majority of states these are done through administrative case reviews; in at least 10 states citizen review boards are used; and in other states review is by the court.

- In Maine the Administrative Case Review System conducts reviews of all children in voluntary care or court-ordered custody of the Department of Human Services every six months. Over two thousand case reviews were conducted during the period July 1983 through June 1984 by the Regional Case Review Managers and other agency personnel. Parents participated in 28 percent of the reviews, and foster children in 26 percent of them. Foster parents participated in 40 percent. More recently trained citizen volunteers have also begun participating on the review panels.

- In New Jersey, Child Placement Review Boards in each county, comprised of citizen volunteers with a demonstrated interest in child development and welfare, who are appointed by the court, review cases of voluntary and involuntary placements within 45 days of placement or court order and annually thereafter. The agency caseworkers, parents, child and other interested parties are invited to attend the review. The Board submits its recommendation as to the future status of the case to both the agency and the court. In Calendar Year 1983 3,796 children were reviewed by the Boards. For 51 percent the recommendation was return to parent, and for 12 percent relative placement. Adoption was recommended for 13 percent and independent living for 11 percent.

Regardless of which type of reviewing body is involved, there seems to be consensus that permanency efforts on behalf of individual children do improve when a careful review is anticipated. Good reviews have helped ensure that plans are tailored to the needs of individual children. Caseworkers and review board members in a New Jersey study agreed that advocacy for the rights of children and parents was one of the major benefits of the citizen review process. Coordinators and caseworkers also stressed the value of the boards in raising agency staff awareness of the needs of children in placement. The 1984 annual report of the Maine Foster Care Review System cited the benefits of review as seen through the eyes of the reviewers. They included "the assertive, logical exploration of permanency options for children, particularly for those who are relatively new in care," and "the opening of windows through the sharing of information and responsibility among Department personnel, parents, foster parents, children and members of the community."

States have also made advances in implementing the requirement that all children in care receive, within 18 months and periodically thereafter, a dispositional hearing by a court or court-administered or approved body to determine the future status of the child. Members of this Committee heard repeatedly throughout their consideration of P.L. 96-272 that once a child is in care for 18 months, he or she was much less likely to be returned home or placed with a new permanent family. The dispositional hearing is the time at which the child's future status is to be determined. A comparative study of dispositional hearings undertaken for HHS in 1982 by the Westat Corporation in affiliation with the American Bar Association's National Legal Resource Center on Child Advocacy and Protection reported that 34 states required full hearings and and that in approximately half the states hearings were held more frequently than in 1980. Similarly a large number of states had added the requirement that the hearing must result in a decision regarding permanence for the child. Both the judges and agency staff surveyed in the Westat/ABA study reported that one of the major benefits of the dispositional hearing was that it helped to give priority to permanency planning. The majority of the respondents saw the judicial hearing decreasing the length of stay in foster care and increasing the percentages of children returning home or having parental rights terminated so adoption could be pursued. Louisiana judges and agency staff also reported increases in the services provided to facilitate reunification as the result of the hearings.

Improved tracking of and planning for children has resulted in heightened awareness of the needs of individual children and their families as well as increased understanding of the aggregate needs of child welfare agencies. Agencies are better able to specify the services that must be developed and the staffing patterns necessary to adequately service children's needs. With this increased capacity has come heightened awareness of the gaps in child welfare programs which I will discuss in my analysis of what more needs to be done.

Improved Recognition of the Importance of Families for Children

CDF testified in 1977 that a strong anti-family bias prevaded every point in the placement process and shaped decisions about children at risk of removal or in out-of-home care. Few efforts were made to preserve families and prevent the inappropriate placement of children in care, nor were parents encouraged to maintain contact with their children once placed. In some cases they were actively discouraged from doing so. Services to reunify children with their families were rare.

Once ties with the natural family were broken, children were too frequently denied new permanent families through adoption. The anti-family bias continued. Adoption efforts were hampered by fiscal barriers, inadequate funds for subsidized adoptions, and deeply embedded views that certain children were "hard to place" and thus "unadoptable." In Children Without Homes, we talked about children like Jenny, a handicapped child in Ohio, who could not be adopted by her foster family, because she would lose eligibility for the medical care and services she needed and received while in foster care. Jenny's pre-existing disabilities, on the other hand, made her ineligible for her foster parents' health insurance policy.

The Adoption Assistance and Child Welfare Act sought to eliminate the anti-family bias in many child welfare systems and to encourage family preservation and reunification where appropriate, and adoption when other options were not possible. Because the most obvious and far reaching advances to date have occurred relevant to adoption, I'd like to mention those first.

The availability of federal funding for the first time for adoption subsidies under Title IV-E of the Social Security Act and the automatic entitlement of IV-E children for Medicaid has resulted in some states in significant numbers of additional children being adopted. Federal funds have freed up state dollars which are now used to reach additional children. The increased pressure for case plans and periodic reviews has also resulted in greater numbers of children being identified for adoption and being moved toward that goal. Although use of the IV-E Adoption Assistance Program by the states has progressed slowly because of its complex eligibility requirements, claims under the program have grown from $2.1 million in 17 states in FY 1982 to $32.3 million in 48 states in FY 1985. (Only Alaska, New Mexico and Wyoming do not currently use the program.) Children with special needs like Jenny, as long as they are eligible for IV-E assistance, can now be adopted and be assured of continued Medicaid. Subsidies have not only ensured Jenny and others permanent families but have proven cost effective as well.

- One hundred and ten children were added to Minnesota's adoption subsidy program in FY 1983, a 32.7 percent increase over the previous year. Eighty percent of these were IV-E eligible. Minnesota adoption advocates estimate that the annual cost of subsidies for the total of 442 children in the program in FY 1983 represented a savings for the state of almost $600,000 when contrasted with the cost of maintaining the children in foster care.

In its June 1984 Report to Congress the Department of Health and Human Services indicated that federal funding for adoption assistance under Title IV-E had resulted in states expanding their adoption assistance programs. It cited increases in the number of children for whom claims were being made and decreases in the number awaiting adoptive placements.

P.L. 96-272 also requires states to give more attention to the natural families of children for whom placement is being considered or has been effected. The Act requires states to develop service programs to prevent the unnecessary placement of children in care and to reunite placed children with their families. To help develop such programs, states are allowed under the Act to transfer unused foster care funds from the Title IV-E program for use in the Title IV-B child welfare services program. States must ensure for IV-E children that reasonable efforts are made in each case prior to placement to prevent a child's need for removal and to make it possible for the child to return home. A judicial determination as to those efforts is also required as a condition of eligibility for federal match for certain IV-E children.

Since 1983, at least half the states have made legislative or regulatory changes to bring them into compliance with the requirement for the reasonable efforts determination. In some states, California, Indiana, Louisiana and New York, for example, statutes spell out steps to be followed in assessing the efforts to prevent placements. States such as Ohio, Washington and Wisconsin are establishing lists of core services that must be in place statewide. A Colorado statute established Placement Alternative Commissions in each county to create and expand alternative programs to foster care.

As anticipated by P.L. 96-272, increasing numbers of models have been developed for family preservation programs that can be used to prevent placement. Many of these programs, which have proven extremely cost-effective, have several distinct characteristics. They are 1) aimed at preventing removal; 2) time limited and of short duration; 3) intensive; 4) family oriented; 5) home-based; 6) crisis oriented; and 7) team delivered.

- The Intensive Family Services Program (IFS) operated by the Oregon Children's Services Division since 1980 is designed to provide in-home intensive family treatment services for a limit of 90 days to families with children determined at imminent risk of substitute care placement. The program has maintained a success rate that exceeds 75 percent in keeping families intact. An evaluation of IFS families served during the 1981-83 biennium and followed for one year after completion of the program reported significant cost savings. IFS costs were determined to be $945 per family as contrasted with an average placement cost per child of $4,690. The combined costs of the IFS program plus the costs of placement for the children who needed to be placed either during the three months of treatment or the 12 month follow-up was $862,000 less than the cost of substitute care for the group. The net savings per child was just over $4,000.

- In Maine, home-based programs, modeled after the "Homebuilder Program" initiated in Tacoma, Washington, have been in operation since 1981-82. These programs which are aimed at preventing removal for at least one year provide services for a 12 week maximum period during which time families are linked with other appropriate supports in the community. Costs for the program range from $3,125 to $6,250 per family -- a significant savings when contrasted with the per child costs of out-of-home care and when the program's impact on other siblings in the family and overall family functioning is taken into account.

- Kansas over the last several years has expanded its Family Support Worker Program statewide after demonstrations in two urban and two rural areas revealed significant declines in "deprived child" petitions being filed and children placed in out-of-home care.

In-home service programs developed in other states, including Colorado, Delaware, Iowa, Minnesota, and New York, have also successfully reduced the number of children entering care, and often proven cost-effective.

- In Iowa, the Department of Human Services (DHS) through its Family-Centered Services Program provides purchased services to about 700 or 800 families per month. The number of public and private agencies contracting with DHS to provide comprehensive in-home services, family therapy, in-home supervision, day treatment and other services has almost doubled since 1980. A number of the programs have average per family program costs that are less than half of a per child cost of placement in substitute care. Further, due to the emphasis on in-home treatment, use of foster family home care in Iowa has declined consistently.

The success of these various model programs and the increasing recognition in policy and practice of the importance of families for children has made permanence a reality for many children and holds out the possibility for many more. However, as I will describe shortly, without increased effort, the potential for permanent families will not be realized.

Heightened Federal Emphasis on Permanence

Prior to the enactment of the Adoption Assistance and Child Welfare Act of 1980 federal policies and programs encouraged the anti-family bias and public neglect previously described. As we testified in 1977, federal fiscal incentives encouraged the removal of children from their families and discouraged their return home or adoption as appropriate. The federal framework outlined in P.L. 96-272 redirects these fiscal incentives and establishes certain protections to ensure permanent families for children.

A 1983 Urban Institute report on the implementation of P.L. 96-272 stated that evidence suggests that the law has been an effective catalyst in bringing about reforms in child welfare and encouraging states to improve their permanency planning for children. The Institute examined child welfare plans and budgets in all states, and conducted case studies in six states, California, Kentucky, Michigan, New York, Oregon and Texas, which together accounted for about one third of the nation's foster children. It reported that the management improvements in P.L. 96-272, specifically the information systems, case plans, and case reviews, have been implemented to a level that might have seemed unattainable only four to five years ago. P.L. 96-272 has been a valuable asset to state policy makers who must argue against state and local funding reductions in the child welfare area.

Excerpts from the Address of Chief Justice Alfred G. Schroeder of the Kansas Supreme Court to the Joint Session of the 1985 Kansas Legislature capture the importance of the federal emphasis on permanence:

> "In 1980, the Congress of the United States focused attention on the issue of permanency planning by passage of the Adoption Assistance and Child Welfare Act. This set of laws is designed to ensure that states properly address the need to minimize the use of foster care and move instead toward the placement of children in a permanent "home" situation, if possible. The implications of this effort are far-reaching, in terms of the overall welfare of society.
>
> The humanitarian aspect of this problem is of paramount importance. An effort by the Judicial Council in the middle 60's to have a family law bill enacted by the Legislature failed. Subsequent similar efforts in the Legislature have failed. Now, viewing the situation as a Monday morning quarter back, we can see the lack of appropriate action was penny wise and pound foolish. Why do I say this?
>
> Wholly aside from the humanitarian aspects of the problem, let's talk money, a matter which we all understand.
>
> After enactment by the Congress of the United States of the Omnibus Crime and Safe Streets Act of 1968, the U.S. Justice Department began gathering statistics on crime. As a result recent published reports suggest that up to 90% of killings, rapes, and other crimes against people in the United States were committed by persons who were victims of child abuse. These are the children under our juvenile code described as "children in need of care." These are the children for whom foster care funds are provided.
>
> In Kansas each year for the past two years we have been spending approximately $20 million on foster care.

> In Kansas each year for the past two years we have been spending approximately $38 million on keeping prisoners in our penal institutions. So what we are talking about is $58 million most of which is spent on what may be metaphorically described as attempting to close the barn door after the horse is stolen.
>
> It seems to me shifting the emphasis of state action to prevention, that is, routing the child in need of care on the path that leads to good citizenship, and diverting them from the road that leads to prison, is the sensible approach. This is the thrust of permanency planning for our children in need of care."

What More Needs to be Done?

Over these past five years the Adoption Assistance and Child Welfare Act has proven to be an important catalyst in moving states to establish laws, policies and procedures that embody the Act's requirements and put in place a framework to encourage permanence for children. Significant gaps still remain, however, between these laws and policies and the practice affecting individual children in the states. Federal attention should now be turned to outcomes for children to ensure thay actually benefit from the Act's promises.

In order to ensure appropriate outcomes for children, CDF believes that improvements are needed in a number of areas. I will list them briefly and then elaborate on each, referring where applicable to S. 1266 and Senator Moynihan's Foster Care, Adoption Assistance and Child Welfare Amendments of 1985 (hereafter referred to as the Moynihan bill). First, however, let me say that CDF is very pleased that both S. 1266 and the Moynihan bill build on the foundation created by the Adoption Assistance and Child Welfare Act and attempt to strengthen certain aspects of the Act's various programs.

The areas where CDF believes immediate attention is necessary are the following:

- Increased support for the adoption of special needs children by expansion of access to medical assistance and provision of appropriate post-adoption services.
- Continuation of federal foster care eligibility for children voluntarily placed in care, provided there are protections to prevent abuses of such placements.
- Increased resources to establish and expand services designed to preserve families where appropriate and facilitate the reunification of children in care with their families.
- Increased and improved training for foster parents and staff of group residences to provide them the supports necessary to care for increasingly troubled children with special needs.
- Establishment of plans and programs to assist older foster children who are not returned home or placed with adoptive families make the transition from foster care to independent living.
- Increased reporting to Congress on the child welfare, foster care, and adoption programs operated by the states which includes descriptions of children served by the programs and the results of special initiatives undertaken on their behalf.

Adoption Supports

Significant improvements have been made in facilitating the adoption of special needs children. The Department of Health and Human Services has made the adoption of special needs children one of its priorities and in its Annual Report to Congress of a year ago documented advances made in encouraging adoption. Adoption exchanges have greatly increased the availability of information about children with special needs and their readiness to be adopted. However, as adoption exchanges have been more readily used and adoptions of children across state lines have increased, new problems have been identified. The reluctance of many health providers to honor out-of-state Medicaid cards is one of the most serious problems faced by adoptive parents who adopt across state lines or later move to another state. It has been a substantial barrier to their obtaining appropriate medical care.

Although children who are receiving IV-E adoption assistance payments are now automatically eligible for Medicaid, their Medicaid eligibility flows from the state where the adoption assistance agreement was entered not the state where the child resides with his or her adoptive family. The American Public Welfare Association estimates, based on a June 1984 survey, that there are approximately 1,010 children receiving IV-E adoption assistance payments who reside with their adoptive parents outside of the state providing the adoption assistance and thus have out-of-state Medicaid cards. Problems like those facing the Jones and Taylors are not atypical.

- Peggy, an Oregon infant, was born with Down's Syndrome and placed for adoption in March 1984 with a family in Iowa who had already adopted several children with disabilities. Peggy needed two open heart surgeries, and the Jones family was assured Medicaid would cover the cost of it all. The surgery was performed but after one month in intensive care Peggy died. Bills were submitted promptly to Oregon, but nine months later the doctors have not been paid. The Jones family has since had an eight month old child with Down's Syndrome placed with them from the District of Columbia. He too has a congenital heart defect but doctors in the area will provide no care unless they get cash up front. The District is meanwhile asking the family to hang on for the subsidy to be approved. Physician visits are $120 each and now the child needs an echocardiogram. Even if Oregon pays up, the Jones' doctors have expressed concern about going through this again.

- Johnny was an eight year old child living in a residential treatment center in Massachusetts. He had been severely physically abused and required extensive therapy. Massachusetts workers arranged for him to be adopted by Mrs. Taylor, his paternal aunt in Pennsylvania. Johnny needed to continue his therapy but Mrs. Taylor could find no one who would accept the Massachusetts Medicaid card. When Johnny's behavior intensified, Mrs. Taylor had no choice but to return him to the Massachusetts facility. He remains there now with the additional loss of extended family to deal with.

We are pleased the Department of Health and Human Services has addressed the problems facing families like those just described in S. 1266. S. 1266 makes IV-E adoption assistance children eligible for Medicaid from the state where they reside. This will help families who adopt a special needs child from another state or adopt a child and later move. Although enactment of the Interstate Compact on Adoption and Medical Assistance was originally expected to help these families, enactment of the compact and enabling legislation has been slow. To date only about eight states have enacted enabling legislation, with Maine being the first in April 1984.

Similar problems in obtaining medical care have been experienced by foster parents caring for children from states other than the one where they reside. These children too have out-of-state Medicaid cards which local physicians often will not honor. We therefore urge the Committee to also consider establishing Medicaid eligibility in the state they reside for Title IV-E foster care children.

S. 1266 also improves administrative of the IV-E Adoption Assistance Program by deleting the requirement that a child receive an adoption assistance payment to trigger Medicaid eligibility and substituting instead the requirement that there be in effect an adoption assistance agreement. This change, also included in the Moynihan bill, will eliminate the need for a state to incur the administrative expenses involved in making a nominal subsidy payment on behalf of a child when in fact Medicaid is all that is needed in a particular case.

Another administrative problem which the technical language of S. 1266 does not appear to address but the Moynihan bill does address is the fact that currently children placed under IV-E with adoptive families are not eligible for Medicaid until a final or interlocutory adoption decree has been entered. States that do not have interlocutory decrees must now license or approve the pre-adoptive families as foster homes and often cover the medical expenses with state funds. We urge support for the proposal in the Moynihan bill which provides that Medicaid eligibility for a IV-E child would begin from the time the adoption assistance agreement was entered, even when it preceded a final decree of adoption.

We also support the provision in the Moynihan bill that makes a IV-E adoption assistance child eligible for services offered by a state under the Title XX Social Services Block Grant as if the child were AFDC eligible in the state where he or she resides. This provision is dropped in S. 1266. We recognize that AFDC recipients have not been automatically eligible for Title XX services in a state since 1981. However, states often still grant priority for Title XX services to AFDC families, and IV-E adoption assistance children should continue to be eligible for Title XX services in a state on the same basis as these AFDC families. For example, services such as specialized day care or respite care which a state may be providing under Title XX could certainly be of use to a family caring for a handicapped child.

We also ask that you support, with some technical changes, the provision in the Moynihan bill that attempts to expand Medicaid eligibility to all children with special needs adopted with state and/or local funded subsidies as well as those eligible for Title IV-E adoption assistance payments. In part because of the strict eligibility requirements for the IV-E program, some states have found only a relatively small proportion of their children eligible for IV-E subsidies. For example, for children who have been in state subsidized foster care for years it is often impossible to determine whether the child was AFDC eligible at the time he or she entered care. An in-depth look by the Permanent Families for Children Project of the Child Welfare League of America at the use of IV-E subsidies in seven states with substantial numbers of subsidized adoptions found only about 25 percent of the subsidy children qualified for IV-E. In Oregon, 35 percent of all adoption subsidies have federal matching funds. In Minnesota, however, 80 percent of the new subsidy cases in FY 1983 were IV-E children.

Difficulty in securing medical assistance for special needs children is still a significant barrier to placing them in permanent adoptive homes. By extending Medicaid to children placed with state subsidies, as the Moynihan bill does, more children will be able to move from foster care to adoption.

Voluntary Placements

We are pleased that both S. 1266 and the Moynihan bill would make permanent the provision in P.L. 96-272 that allows states to claim federal reimbursement under the IV-E Foster Care Program for children entering foster care pursuant to a voluntary placement agreement provided other IV-E eligibility requirements are met and various protections are in place to prevent voluntary placements from being abused. P.L. 96-272 requires that the child be placed pursuant to a written voluntary placement agreement which can be revoked by the parent placing the child upon request unless the state agency obtains a court order that return would be contrary to the child's best interest. In order for the federal match to continue for voluntarily placed children, there must be a judicial determination within 180 days that continued placement is still in the child's best interest. In order to claim reimbursement for these children when they enter care, a state must also have implemented the services and protections mandated by the Act. We believe these protections, together with those discussed below that are being added by various states, adequately protect these children. To our knowledge, there have not been reports of abuses of the provision. Twenty-two states were expected to claim federal reimbursement for voluntarily placed children in FY 1984.

In addition to the voluntary placement protections in P.L. 96-272, states are increasingly limiting the circumstances and length of time in which voluntary placements are allowed. At least twenty-four states impose time limits on voluntary placements by statute or other means. A number, for example, limit placements to from 30 to 90 days, after which time courts are required to assume jurisdiction if the child is not returned home. Others, Kansas and Missouri, for example, do not allow any voluntary placements. Some states do not allow them when abuse or neglect is alleged (e.g. Louisiana), or use them primarily for certain populations, such as developmentally disabled children (Colorado and Iowa).

While we support the provision in S. 1266 to make IV-E eligibility for voluntary placements permanent, we do not support the repeal of the reporting requirement with regard to such placements. Rather we believe that the Department of Health and Human Services should be required to report at least every two years on the children who are being placed pursuant to voluntary placement agreements to continue to assure Congress that such placements are being used appropriately. The Moynihan bill includes such a requirement.

Preventive and Reunification Services

Unfortunately the pool of funds available for alternative services to enable children to remain with their families or be reunified in a timely fashion has fallen far short of that anticipated by P.L. 96-272 when it was enacted in 1980. The Act anticipated that by FY 1986 approximately $1.2 billion in funds under the Title IV-B Child Welfare Services Program would already be available to the states and that states would have also had $15.5 billion in Title XX Social Services funds available to draw on for child welfare services. Instead, without accounting for inflation from 1981 through 1985, only $841 million in Title IV-B funds have been provided, 29 percent below the anticipated amount, and only $13.2 billion in Title XX, a 14 percent decrease over what was anticipated. Further, the current funding levels for the Title IV-B and XX Programs of $200 million and $2.725 billion respectively fall well below what would have been provided if funds had been adjusted for inflation.

The impact of cutbacks in federal service dollars on the state child welfare agencies has been made more severe by increased demands on agencies resulting from escalating reports of abuse and neglect. The last several years have seen significant increases in reports of abuse and neglect in almost every state. The American Humane Association estimated 1.5 million children were reported abused and neglected in 1983, a 15 percent increase over the previous year. A more recent survey of state child protective service agencies conducted by the National Committee for Prevention of Child Abuse reported increases in child abuse reports during 1984 in 42 states, and in 20 states the increase over 1983 exceeded 15 percent. Individual states report alarming increases:

- In Oregon there was a 31 percent increase in valid reports between 1981 and 1982 and an 8 percent increase the next year.

- Missouri reported a 22 percent increase in child abuse and neglect reports between August 1983 and August 1984 and an increase in children entering foster care as well.
- The New Jersey Division of Youth and Family Services received 26,398 reports of abuse and neglect in 1983 and expected the number to exceed 43,000 by the end of 1984. A 26 percent increase in sexual abuse reports was projected for the same period.

The increases in reports have strained many child protective service divisions and child welfare agencies beyond their limits. Staff have been reduced and those remaining have been redirected to deal with crisis cases. For example, child protective services staff in Oregon were reduced, in spite of the increases in abuse and neglect reports, and other workers had to be shifted from servicing the agency's ongoing caseload to handling new cases. The Louisiana Division of Children, Youth and Families which responds to abuse and neglect reports has had its staff decreased by approximately 300 in the past four years, in part as a result of Title XX cuts.

The increases in caseloads for agencies combined with limitations on funding have forced agencies to emphasize crisis responses at the expense of long term prevention. In a number of states the increases in child abuse and neglect have resulted in more children entering care. This influx, together with cutbacks, has hampered preventive efforts and permanency planning for children already in care, both called for in P.L. 96-272.

- In San Mateo County, California, one of the earliest sites for implementing the P.L. 96-272 protections, Childrens' Services intake increased 22 percent between 1982 and 1983, and 39 percent of these cases were due to physical or sexual abuse. The shift in emphasis away from intensive pre-placement services then increased the use of foster care: 50 percent more children were admitted to shelter care in the county in 1983 than in 1981.

- In a number of Wisconsin counties, programs established with Title IV-B funds to show the effectiveness of family-based services as an alternative to foster care had to be reduced or discontinued as dollars were channeled into investigations of escalating reports of child abuse.
- The American Public Welfare Association reported that some states had to decrease the funds transferred from IV-E foster care to IV-B child welfare services because of increased caseloads. Colorado was one state that experienced an increase in the number and percentage of IV-E foster children as a result of increases in the number of AFDC families caused by the depressed economy. Increases in abuse also increased Colorado's foster care caseload. Oklahoma's foster care population had been decreasing but increased in 1984 due to a 30 percent increase in abuse reports. Oklahoma had 200 more children in care that year than two years earlier.

State and county officials, judges, review board members, and child advocates have pleaded for increased service dollars. The 1983 Urban Institute study of the implementation of P.L. 96-272, referred to earlier, documented the impact of cuts in the Title XX and IV-B Programs on the development of service programs. In a 1984 survey by the American Public Welfare Association, child welfare officials in 21 of the 23 states surveyed reported a need for more Title IV-B funds for increased preventive services and many of them specified the need for in-home service programs.

State expenditures for out-of-home care often still far exceed expenditures for alternative services. In Missouri, for example, only $.8 million was devoted to home-based services in 1984, compared to $10.5 million for foster care. It makes little sense to ask a judge to find that efforts to prevent placement have been reasonable when the cost put forth to maintain the child in the home may fall far short, by four or five times, the expenditures for out-of-home care.

The deficiencies in services have been highlighted as more children have case plans that are carefully reviewed on a periodic basis. Yet as noted earlier, the models exist and states have shown the initiative to establish needed services. It is clear that states could be doing so much more for children and families if the Titles IV-B and XX Programs were funded as originally envisioned and additional service dollars were made available as well.

CDF is pleased that S. 1266 recognizes the needs states have for additional resources to ensure permanent placements for more children in foster care. However, rather than increasing funds for the development of alternative services to foster care, S. 1266 proposes a system of bonus payments and a cap that we believe may cause harm to children. The proposals in S. 1266 for bonus payments for reducing the numbers of children in long term care and for a cap on foster care are at odds with the varied needs of individual children in care, the need states have for resources up front to establish alternatives to out-of-home care, the different progress made to date by states in improving their foster care systems, and the varied impact on foster care caseloads of increasing reports of abuse and neglect.

CDF strongly opposes the proposal in S. 1266 to cap funds for the Title IV-E foster care program. Such a proposal fails to recognize the harms to children that can result when funding has fallen far short of the anticipated levels necessary to establish alternative programs for the children who will be kept out of care or perhaps moved out prematurely because of the cap. The cap is especially harmful now when new demands on agencies caused by increased reports of abuse and neglect have also caused states to reduce their effort to develop alternative services to foster care. However, rather than acknowledging the need for an increased investment in services, S. 1266 proposes to cap the foster care program when funding for the IV-B Program is still $20 million below the level anticipated in FY 1982.

Such a cap also alters the fundamental entitlement nature of the foster care program that has been in place for almost 25 years. A proposal to cap foster care now, just as some states are seeing increasing numbers of victims of physical and sexual abuse enter care, seems especially contrary to Congress' long stated concern about protecting these especially vulnerable poor children. Such a cap also ignores the fact that children in foster care today, in many states, are an older population many of whom are more troubled and have more special needs than in the past, and thus may require more expensive care. The proposed cap on foster care in S. 1266 should be opposed. Instead we urge you to consider the ceiling proposal in the Moynihan bill.

CDF also opposes the bonus payment system, as proposed in S. 1266, for many of the same reasons. First it fails to recognize individual variations among states. For example, states that have worked hard to implement the protections in P.L. 96-272 for the past five years and implemented permanent plans for children in their caseloads are not likely to benefit from this incentive system, yet they should be rewarded so that their efforts to ensure that children are appropriately placed can continue.

Second, it assumes that states have resources available to move children who have been in care for extended periods back home or into other permanent placements. The proposal to offer states increased funds only after alternative placements are made fails to recognize the fact that states need funds to develop such alternatives. Further there is no assurance that bonuses actually received after the fact will be used to develop the alternative services and resources necessary to help keep other children out of care or to reunify children with their families, or to provide adoption assistance.

Third, there is a danger that the bonus system, currently based on an annual determination, will encourage states, faced with overwhelming fiscal demands to push back to 24 months the time for concerted efforts to get children out of federal foster care, irrespective of their needs, so that the state can then qualify for the incentive payments. Although there may be a way to target an incentive system on limited groups of children who have lingered in care for extended periods, the current proposal might discourage or delay reunification for children for whom it is appropriate.

We urge the Committee to drop the bonus provision and instead explore other mechanisms for providing states incentives to plan appropriately for IV-E children who are at risk of entering care or have been in care and should be returned home or placed with adoptive families.

Training Foster Parents and Other Residential Care Staff

Appropriate training and supports for foster parents and other residential care staff are key components of a quality foster care system. Unfortunately, in these times of fiscal restraint, training programs have often been among the first things to be cut. Lack of training and adequate supports for foster care providers, however, can negatively impact the quality of the care children receive. A subsequent investment must then be made because of the long range costs to children of inappropriate care. There have, for example, been reports from several states of abuses of children in foster homes that have resulted in part because foster parents were asked to assume responsibility for very troubled children with needs they were not trained to handle.

Our experience is that foster parents want training. Increasing numbers of states are imposing minimum pre-service and in-service training requirements for foster parents. Minimum curriculum requirements should address basics like the foster care system, the impact of placement on the foster family and on the children and their parents, children's relationship to their birth families, and the developmental needs of children. Specialized training requirements should address the special needs of adolescents, sexually abused children, handicapped children and others. Good curricula for foster parent training have been developed.

Senator Moynihan's bill, would require, effective January 1, 1987, that foster parents caring for IV-E children have participated in a suitable training program designed to help them recognize and deal with the special needs and problems of foster children. Although the substance of that training is not specified, the state must consult with foster parents, appropriate child care providers, and representatives of advocacy groups in designing the training, so as to ensure that it addresses the needs of those being trained.

The training requirements in the Moynihan bill, coupled with the availability of higher federal reimbursement for the training provided, are significant steps forward in improving the quality of care for foster children.

Independent Living Programs

Implementation of the case reviews required by P.L. 96-272 has highlighted the problem of the large number of youth aging out of the foster care system without appropriate preparation for their transition to independent living. Data from several national studies suggest that approximately 40 to 50 percent of the children in foster care are over the age of 12, and individual state reports show comparable portions of their caseloads to be comprised of teens. Although it is hoped that many of these youth will be able to return home, and that others will be adopted or will establish other permanent living arrangements, increased attention must also be given to those youth who will remain in care to the age of majority. It is estimated that approximately 16,000 adolescents, ages 17 and 18, faced discharge from substitute care in 1982 because they were about to reach the age of majority.

Reviews in a number of states have shown that there are not adequate efforts made to help these youth become self-sufficient. Two findings from New York are not atypical:

- A New York City study found that within one year of leaving foster care, a significant percentage of young girls ended up receiving federal income support through the Aid to Families With Dependent Children Program (AFDC).
- Another New York study of how children in foster care are prepared for independent living reported that only about one-third seemed well prepared, although progress was made for another third. The study, conducted by the Citizens Committee for Children of New York, also found that there was no comprehensive, coordinated program for helping them learn to be self sufficient.

Efforts to prepare youth for independent living have been hindered in some states by a 1981 change in the AFDC Program. The change in AFDC resulted in allowing a child to continue in federally funded foster care only until age 18, or at state option to age 19 if the youth is in school and realistically expected to graduate by that time. Because foster children, who are moved from home to home, are also moved from school to school, it is not at all unusual for them to be several years behind their peers in graduating from high school. In some states the AFDC change sets an artificial boundary that forces some youngsters out on their own before they are ready and have completed a basic level of schooling. The Moynihan bill includes a provision which will hopefully encourage foster children in some states to stay in school and graduate. The bill allows states the option of providing IV-E foster care payments to youth to age 21 provided they are enrolled in secondary school or an equivalent vocational program.

A broad array of services in addition to education should be available to meet the varied needs of adolescents in the foster care system who are facing independence. Adolescents discharged from care, who cannot count on continued parental support, must be able to make it on their own. They will need help to be able to find housing, continue their education or get a job, perform certain daily living routines, and avoid future dependence on the state. Attention must also be given to the needs of these youth for emotional support and help with decisionmaking and termination.

Numerous models have been developed for services for youth preparing to leave foster care. Some states have established specialized group homes, semi-independent living arrangements, or independent living subsidies. There are programs for job training, life skills training, and individual and group counseling. States also need to establish laws and policies which allow and encourage the development of such services. West Virginia, for example, has developed a policy which outlines the independent living skills an adolescent must receive. Arizona's program includes the development of a discharge plan for each child preparing to leave care.

The Moynihan bill includes special funding to ensure the development of written independent living plans based on individualized assessments of need for older foster children. It also requires the establishment of transitional independent living programs to meet these needs. Technical assistance from the Department of Health and Human Services is expected to help states establish such programs. The Administration for Children, Youth and Families in HHS is currently funding a review of independent living programs by the Westat Corporation in Rockville, Maryland. We urge the Committee to support the required efforts on behalf of older adolescents in foster care included in the Moynihan bill. Further we ask that you consider amending the Title IV-E Foster Care Program to allow children receiving independent living subsidies as part of a supervised transitional program to be eligible for federal reimbursement, provided the children meet the program's other eligibility requirements.

Child Welfare Reporting

States have now had five years to implement the procedures, protections and services set forth in P.L. 96-272. There are available data to aid in the monitoring of these efforts. As mentioned earlier, progress in implementing data tracking systems has been made in many states. The American Public Welfare Association has been collecting data on a voluntary basis from the states for two years. At least forty states have been certified by HHS as being in compliance for at least one year with the protections set forth in Section 427 of the Act, which include the inventory and information system. However, HHS's monitoring efforts to date provide little information on the impact of P.L. 96-272 on children and families in the states.

States themselves think HHS's monitoring has been uneven. They argue that compliance reviews were handled differently in different states resulting in inequitable treatment in some instances. One state, for example, is currently pursuing a claim in court that it failed its compliance review, although other states that had followed the same course and implemented similar policies and practices had been approved.

CDF believes this to be an appropriate time for Congress to exercise increased oversight of implementation of P.L. 96-272 to try to assess for itself what progress has been made in the states. P.L. 96-272 was originally enacted because members of this Committee and the full Congress were concerned about the problems in the nation's foster care system. You were acting not only to protect the children and families involved, but to protect your federal investment as well. The Act is built on fiscal incentives to encourage preservation and reunification of families. Federal dollars were also added under the Act to encourage the adoption of special needs children and to ensure appropriate care for children voluntarily placed by their parents. The Moynihan bill proposes to provide further fiscal incentives for the development of training programs for foster parents and residential care staff and independent living programs for older adolescents. Careful monitoring of the success of the various fiscal incentives in achieving the intended goals is necessary. Data must be collected to see the outcomes produced for children.

The biennial reporting requirements in the Moynihan bill provide a snapshot of children in care and highlight those funded with federal dollars. The descriptive studies proposed will provide additional information on special efforts being taken to improve the foster care system. We urge the Committee to seriously consider these reporting requirements.

Thank you for the opportunity to appear before you to share CDF's perspective on implementation of P.L. 96-272 and the need for additional reforms. The Committee's strong committment to child welfare reform has helped maintain P.L. 96-272 these past five years. We look forward to your continued support as together we seek to strengthen it.

Senator ARMSTRONG. Mr. Liederman.

STATEMENT OF DAVID S. LIEDERMAN, EXECUTIVE DIRECTOR, CHILD WELFARE LEAGUE OF AMERICA, INC., WASHINGTON, DC

Mr. LIEDERMAN. Thank you, Mr. Chairman.

Mr. Chairman, my name is David Liederman, the executive director of the Child Welfare League of America. The league is a 65-year-old organization, comprised of 350 public and private voluntary, not for profit, member agencies in the United States. Among our members are the Colorado Christian Home, the Colorado Department of Social Services, Children's Aid Society of New York, and the New York State Department of Social Services, just to mention a couple. [Laughter.]

We've reviewed the administration's bill, S. 1266, and are supportive of the provisions pertaining to the adoption assistance program, and would like to commend the administration for its attention to the issues which these proposals address.

We also endorse the provision of.S. 1266, which would make permanent the voluntary placement provision.

However, we take strong exception and oppose any attempts to cap or end the entitlement status of title IV–E foster care, including the lowering of the so-called trigger under title IV–B to $200 million, thus effectuating an immediate cap on foster care. It has always been our position, Mr. Chairman, and will continue to be—and I would hope it would be the position of this committee—that foster care is an entitlement and should be continued to be treated as an entitlement. If a child shows up at the Colorado State Department of Social Services or the New York State Department of Social Services or special services for children in New York City and requires foster care, that child is entitled to foster care. And to arbitrarily place a cap on foster care, I think, defeats the entire purpose of what foster care was intended to do.

I can't speak to that strongly enough.

And it's interesting, too, that it is true that the number of foster children has gone down, and we support that. And that was the original intent of the act. But it's also true, and the Department's own report points out, that in 19 States there were increases in the number of children in foster care between 1980 and 1982. We've had reports from Los Angeles County where they have had a dramatic increase in the number of foster care kids just in the last year. So that although the numbers are going down nationally, there are fluctuations from State to State, from locality to locality, and it's really important for us and for you to take into account that factor and not put a cap on foster care because it goes in the wrong direction.

What we should be doing in our opinion is increasing the amount of money for foster care because foster care still leaves a lot to be desired. The average payment for foster parents in the United States is about $190 a month. We all have raised children and we know what it costs to raise a child and $190 a month doesn't sound to me like a lot of money to be helping foster parents to raise a child. And yet that is the average payment around the country so that we think there needs to be further efforts to improve the foster care system; not try to cap it.

And at the same time, we need additional money for preventive services, which is what IV–B is all about, and we should be increasing the $200 million that's now available to a much higher figure so that we have additional money for preventive services to prevent children—who otherwise can't be prevented from going into the system.

We also oppose the use of bonuses, bounties, or any other incentive payments to States for the removal of children who have been in foster care arbitrarily. The proposal proposes a bonus of $3,000, and for children who have been in care for more than 24 months, we think that, too, goes in the wrong direction. What it doesn't take into account is that there are thousands, thousands of children in the United States who need long-term foster care. We recently did a survey of our entire membership and we had not one single agency that supported the notion of the bonus without certain safeguards. And those protections need to be in there.

You know, there are lots of older kids, there are lots of kids who need long-term foster care for whatever the reason. And to arbitrarily have a bonus without an individualized case plan, which was the principal protection under Public Law 96–272—if you don't have an individualized case plan, how can you just arbitrarily say to States and localities and counties that we are going to give you $3,000 if you get the kids out of foster care even if we don't know the reason they are coming out of foster care. They might be coming out of foster care only to go into the street.

Let me just make a couple of other comments. We have also reviewed the Moynihan-Stark bill, S. 1329, and wish to state our strong support for that proposal; particularly, the part of the proposal that mandates foster care subsidies up to the age of 21, tied to the enrollment of secondary school or vocational training, as well as the State plan requirement for transitional living programs.

We would like to commend you, Senator Moynihan, for your leadership in this area. We think that's a great step in the right direction. It has been law in many States throughout the United States regarding special needs of children that those services should be available from the age of 3 to 21. If there was ever a group that was a special needs group, it's young people, children, in foster care and we think raising the subsidy to 21 is a step in the right direction.

And I might add, Mr. Chairman, that the recent report that came out of New York City on runaway and homeless youth in New York City showed that as many as 50 percent of the youth seeking shelter in the city had come out of the foster care system. So that this provision to include services up to the age of 21 is crucial.

Frankly, we like the Moynihan-Stark bill. We think the Moynihan-Stark bill should be used as the vehicle to amend Public Law 96–272.

And we thank the committee for hearing us. And I'm sorry I went over my time.

Thank you very much.

Senator **Armstrong**. Thank you, Mr. Liederman.

[The prepared written statement and a letter from Mr. Liederman follow:]

CHILD WELFARE LEAGUE OF AMERICA, INC.

TESTIMONY PRESENTED TO THE
SENATE FINANCE SUBCOMMITTEE ON SOCIAL SECURITY
AND INCOME MAINTENANCE
ON BEHALF OF
THE CHILD WELFARE LEAGUE OF AMERICA

BY

DAVID S. LIEDERMAN
EXECUTIVE DIRECTOR
THE CHILD WELFARE LEAGUE OF AMERICA

JUNE 24, 1985

GUARDING CHILDREN'S RIGHTS • SERVING CHILDREN'S NEEDS

CHILD WELFARE LEAGUE OF AMERICA, INC.

Mr. Chairman and members of the Subcommittee, my name is David S. Liederman, and I am the Executive Director of the Child Welfare League of America. The League is a national organization comprised of more than 350 public and private voluntary not-for-profit member agencies and 1,200 affiliates who provide various child welfare services to children and families at-risk throughout North America. Such services include adoption, family foster care, residential treatment, group homes, day treatment, home-based social services and child day care. Among our members, for example, are the Colorado State Department of Social Services, the Boys & Girls Aid Society of Oregon, the Lutheran Service Society of New York, the Jewish Children's Home of New Orleans, Children's Home Society of Minnesota, United Methodist Home of Little Rock, Arkansas, and Family and Children Services of Kansas City, Missouri.

We appreciate very much the opportunity to present our views on the two pieces of legislation - S. 1266 and the Moynihan/Stark bill amending P.L. 96-272, the Adoption Assistance and Child Welfare Act of 1980. The views which we will express here today stem from our many years of involvement in P.L. 96-272 -- beginning with the issues which gave rise to its legislative formation, to its ultimate Congressional passage, and more recently, to its national implementation. Our 350 member agencies and 1,200 affiliates -- both public and private -- are involved on a day-to-day basis in carrying out its legislative mandates. We have published resource and implementation manuals, articles in our Child Welfare Journal, research studies and various sets of standards, all for the purpose of guiding the practice of "permanency planning" as embodied in P.L. 96-272.

Of course our purpose today is not to talk about the Child Welfare League of America, but rather the proposed provisions relating to foster care and adoptive services -- specifically S.1266 and the Moynihan/Stark bill. There is much that needs be said and, indeed, we will go into some detail. However, if we only had one minute of your time, this is what we would say.

Before proceeding with a more detailed discussion of S. 1266 and the Moynihan/Stark bill, let me briefly review the concept of "permanency planning" to clarify the context within which these two bills would fit. This concept literally revolutionized the child welfare field. Prior to the enactment of P.L. 96-272, approximately 500,000 children were believed to be "adrift" in the foster care system, with little or no effort made to account for them, to return them to their own families or, if more appropriate, to place them in alternative permanent settings.

In 1977, Congress began deliberations on legislation in response to this national tragedy -- deliberations which continued throughout both sessions of the 96th Congress and which culminated in the passage of P.L. 96-272. This law established a new Title IV-E of the Social Security Act to provide Federal support for foster care and adoption assistance and made improvements in Title IV-B Child Welfare Services. Moreover, it also mandated certain protections for children in foster care which were tied to fiscal incentives to the States.

Such protections exist today and begin, as a child moves through the system, with a provision requiring what is widely known as "reasonable efforts." This provision requires that the State must make "reasonable efforts" aimed at preventing the child's removal from the home. The child is further protected by a requirement for a court ruling that the State did, in fact, comply with reasonable efforts. If the court determines that "reasonable efforts" did not occur, the State cannot receive Federal reimbursement for Title IV-E foster care payments. Therefore, under the current foster care system, adequate protections exist to ensure that children are not being placed in foster care unnecessarily.

Once a child is placed in foster care, however, protections also exist to ensure that his or her stay is not unnecessarily prolonged. This occurs in three ways, all of which are mandated. First, an individual caseplan must be developed for each child, describing the services which will be provided and which will facilitate the child's return home as quickly as possible. Second, an independent review of the case must occur every 6 months in order to ensure the continuing appropriateness of out-of-home care. Third, a "dispositional hearing" is required within 18 months of the original placement in foster care. This hearing must be held by a family or juvenile court or by an administrative body appointed by the court. At this time, the agency must have developed a permanent plan which provides for the child's return home or movement into an appropriate permanent placement.

In 1980, States began implementing the new program. Four-and-half-years later, on June 11, 1984, Department of Health and Human Services (HHS) Secretary Heckler released a report to Congress outlining the extent to which changes had occurred in State child welfare systems as a result of P.L. 96-272. The findings included:

- a significant decrease in the number of children in foster care, from more than 500,000 in 1977, to 243,000 in 1982;
- a decrease in the duration of placement of children in foster care, from an average of 47 months in 1977, to an average of 35 months in December 1982;
- a 50% decline in the number of foster care children free for adoption, from 102,000 in 1977, to 50,000 in 1982;
- an increase in the number of children for whom Title IV-E Adoption Assistance funds were claimed, from 289 in 1981, to 4,672 in 1983;

- compliance in regard to the permanency planning protections on the part of most States; and
- improvements in child welfare services attributable to Title IV-B.

The report concluded that P.L. 96-272 "has helped maintain the momentum of system and program changes designed to assure good child welfare practice."

Today, almost one year to the date of Secretary Heckler's very positive report on P.L. 96-272, the Administration returns to Congress in support of S. 1266, which it has designed to "make improvements" "fine turn" this program. While we would agree that there is some need to make improvements in both the foster care and adoption assistance programs, we cannot fully support S. 1266 due largely to the proposed foster care amendments contained therein. We base this decision on our belief that the assumptions underlying these proposals are faulty and, if enacted, will halt the progress made over the past four-and one-half years toward good child welfare practice. Further, these proposals, we fear, will adversely affect those children most in need of the care and services provided under the current foster care system. We do, however, support and commend the Administration on its proposed amendments to the adoption assistance program. These amendments address some of the more problematic aspects of this program and hopefully will help to remove any existing barriers to the adoption of special needs children.

In connection with the Moynihan/Stark bill, we fully support the proposed amendments contained therein, inasumch as they address the various service gaps that currently exist in both the foster care and adoption assistance programs. The League recommends that the Moynihan/Stark bill be used as the primary legislature vehicle for amending P.L. 96-272.

I would now like to detail the specific comments of the Child Welfare League of America regarding each of the bills. Each item discussed is in the order in which it appears in the respective bills.

S. 1266

(1) Incentive bonuses of $3,000 per child to States for reducing the number of children who have been in foster care for more than 24 months (Sec. 2): While we do not support unnecessarily lengthy stays of children in foster care, we do not believe that this is an appropriate mechanism for ensuring that such does not occur. As written, the amendment would simply encourage States to remove children from foster care after twenty-four months -- period. It does not encourage States to explore why such a situation occurred nor what the individualized needs of the child and what the child's family might be. Nor does it allow for States to address such needs, given that the bonus would be received only after the child is removed from foster care. As such, it completely ignores one of the principle protections mandated under P.L. 96-272 -- the individual case plan.

Moreover, the provision sets-up a potentially dangerous practice issue in that it overlooks the need for and discourages the use of long-term foster care, which most experts agree is a valid and sometimes necessary child welfare service.

For example, we have recently completed a survey of our member agencies, all of whom are experts in the field. The results of the survey have not yet been fully tabulated; however, for purposes of this testimony, we examined the data from 10 States representing 33 child welfare agencies -- both public and private -- who, in combination, provide adoption and foster care services to over 25,000 children.* One of the survey questions posed was:

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* The 10 States include: Arkansas, Colorado, Iowa, Louisiana, Minnesota, Missouri, New Jersey, New York, Oklahoma and Oregon.

> "Current discussions about the foster care program suggest that one way to ensure the unnecessary length of stay in foster care is to place a Federal limit on such stays -- limits might range anywhere from 12 to 24 months. Based on your knowledge of foster care, please briefly discuss why you may or may not favor such a limit."

NOT ONE AGENCY FAVORED SUCH LIMITS, WITHOUT EXCLUSIONS FOR NECESSARY LONG-TERM FOSTER CARE OR WITHOUT APPROPRIATE SAFEGUARDS TO THE INDIVIDUALIZED NEEDS OF THE CHILD. Following is a sample of some of the comments:

> "For some children, foster care is the most appropriate plan - they do not have families or their parents do not progress well enough to resume responsibility for their children". (Colorado County agency serving 3500 children)

> "Eighteen percent are now staying longer than 24 months, primarily adolescents coming into care." (Oregon State agency serving 9600 children)

> "Any approach which does not permit an individualized approach will not serve children well." (Louisiana private voluntary agency serving 150 children)

> "While limits may encourage agencies to plan more actively and aggressively, they also may encourage inappropriate placements to meet deadlines." (New York State wide voluntary agency serving 700 children)

Ideally, our goal is to move all children through a continuum-of-care into situations which most closely resemble a family setting. We all know that a permanent, stable family situation works best for children and is far less costly to the government, both now and in the future. In the real world, however, permanent adoption may not be possible for all hard-to-place youngsters -- those who are challenged physically or emotionally. . . those who are older. . . those who have been in trouble. Foster care may, in some instances, be the most appropriate and the most family-like situation ultimately available.

Accordingly, we cannot and will not support the use of bonus payments to States which do not recognize the need for and appropriateness of long-term foster care and which do not also take into consideration the individualized needs of the child. The Child Welfare League of America, therefore, opposes this amendment as proposed and urges this Subcommittee to do likewise.

(2) The use of bonuses payments for any purposes under Titles IV-E, IV-B and XX (Sec. 2). While we are opposed to the payment of bonuses, as proposed, we are particularly opposed to their use for purposes of the Title XX -- Social Services Block Grant Program. Title XX is a program which provides a variety of social services to all age groups, including for example, services to the elderly. Under S. 1266, bonuses would be paid to States as a result of reducing a child's length of stay in foster care, without regard to that child's individual needs or case plan. Why should monies derived from reductions in foster care which could risk a possible inappropriate return home or an inappropriate adoptive placement be made available to other age groups, such as the elderly, who may have stronger political constituencies relative to the children served under the foster care system. Any bonuses under this provision should be restricted for the purposes of Titles IV-E and IV-B only.

(3) Lowering to $200 million the appropriated amount for Title IV-B Child Welfare Services which will effectuate a mandatory foster care cap (Sec. 3). We are opposed to this provision as a back-door approach to capping foster care and also because it violates the compromise reached during the passage of P.L. 96-272. This compromise was developed out of two differing legislative proposals pending at the time: one, which would have "capped" foster care and one which would not. The Child Welfare League of America has long been on record in favor of open-ended entitlement funding for the foster care program. Indeed, we firmly believe that the concept of a needy child's legal entitlement to foster care services should continue to be upheld as one of our oldest social responsibilities.

During debate on P.L. 96-272, in order that needed foster care reforms be enacted, a compromise was struck. This provided that the foster care program would be capped only after the States had received sufficient funds enabling them to finance the service improvements and procedural safeguards mandated under P.L. 96-272.

Title IV-B was seen as the cornerstone of P.L. 96-272 in the provision of services aimed at preventing the child's unnecessary removal from home, reunifying the family, and supporting permanent planning efforts. States were assured that the full funding of Title IV-B ($266 million) would occur for two years before IV-E foster care would be capped; thus allowing States the time necessary to establish and implement such services. Since passage of P.L. 96-272, Title IV-B has not been funded above $200 million. Moreover, Title XX, also assumed to assist in the establishment of these services, has, since 1982, remained frozen at its current level of $2.7 billion.

In our survey, the same 10 states and 33 agencies mentioned earlier said that the need for preventive and reunification services was far greater than their availability. This indicates that States, given the lack of adequate funding, have not been able to fully establish nor provide services so central to the concept of permanent planning. Moreover, a June 1984 study, conducted on behalf of HHS, entitled, Assessing the Implementation of Federal Policy to Reduce the Use of Foster Care: Placement Prevention and Reunification in Child Welfare, found that, "Federal appropriations for Title IV-B reached authorized levels during the first year of implementation only, precluding or limiting the type of service and resource expansion envisioned under the law."

The Child Welfare League of America believes that P.L. 96-272 has been successful in its implementation due largely to the provision of Child Welfare Services under Title IV-B. However, there is much that remains to be done --

more services need to be in place if the reforms envisioned under P.L. 96-272 are to be fully realized. This is not the time to cap foster care, through any method. We, in fact, believe that the "trigger" should be removed altogether -- but under no circumstances should it be lowered. The Child Welfare League of America, therefore, opposes this amendment and urges the Subcommittee to do likewise.

(4) Eliminating the Necessity of an Advanced Appropriation for Limitations as to Title IV-B Funding (Sec. 3). We oppose this provision as we believe that protections must remain in place for purposes of adequate and full funding for both Title IV-B and Title IV-E programs.

(5) Eliminating the options under which a State's Title IV-E foster care allotment is determined (Sec. 3). It is our understanding that the Committee has requested HHS to provide information as to the impact and effect of this provision upon the States' foster care system. We, therefore, request to reserve the right to comment on such impact until a later date, once this information is made available.

(6) For FY 86, Cap Title IV-E Foster Care at $485 million (Sec. 3). Aside from our belief that $485 million does not represent a realistic figure for FY 85 expenditures, as it excludes consideration of claims which, under current law, may be made in FY 86 and FY 87, we are strongly opposed to any capping of Title IV-E Foster Care. As noted in Secretary Heckler's June 1984 report to Congress, referred to earlier, a significant decrease in the number of children in foster care occurred nationally from 1977 to 1982. Yet, this same report indicates that 19 States experienced an increase in the number of foster care children from 1980 to 1982*.

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* These states include: Arkansas, California, Connecticut, Georgia, Hawaii, Illinois, Iowa, Louisiana, Maine, Maryland, Montana, Nevada, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Utah and Washington.

Morever, according to House Committee Print 99-2: Background Materials and Data on Programs Within the Jurisdiction of the Committee on Ways & Means, 25 States indicated an increase in their foster care populations from 1983 to 1984.*

We believe that this provision to eliminate the open-ended funding of foster care adopts a "bookkeeping" approach intended to limit spending in the program while ignoring the fluctuating needs of the States, as evidenced above, and most especially, the children whom they must serve on an entitlement basis. Such an approach fails to recognize that if arbitrary and unrealistic caps are set, States may be forced to reevaluate their entitlement criteria; thus, forcing children to remain in unsafe homes, at continued risk of further abuse and neglect. In testimony before a field hearing of the House Budget Committee, this past April, one of our members in California, testifying against the President's FY 86 budget proposal to cap foster care, drew a very graphic analogy between what might happen under a foster care cap and what has happened in Los Angeles County as a result of fiscal restraints:

> "In 1982-83, after experiencing serious staff losses due to State and County revenue losses following the passage of Proposition 13 and the 1980-82 recession, the Los Angeles County Department of Public Social Services was forced to make the terrible choice of limiting the intake of children referred to protective services. The Department admitted in testimony before the California Legislature, that, for nearly a year, it only investigated and acted upon 45% of the cases referred. It was almost as if a child had to be physically bleeding before 'official action' could be taken. No one knows what happened to the other 55% of the children or how long it took before the conditions of some children finally became aggravated enough to move 'the system' to action. All of this, because of a shortage of funds. This illustration is not drawn to condemn Los Angeles County DPSS - the Department had to make hard choices; it did not act arbitrarily. But, an arbitrary 'cap' on foster care will certainly create similar 'hard choices' because of the lack of funding and the lack of placement options."

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* These states include: California, Colorado, Delaware, Florida, Georgia, Hawaii, Indiana, Iowa, Kentucky, Louisiana, Michigan, Nebraska, New Jersey, New Mexico, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Washington, and West Virginia.

The League agrees. Furthermore, we would ask that this Committee, during its consideration of S. 1266 bear in mind the children who are in need of foster care and the circumstances create that need -- children who are abused and tragic emotionally and physically neglected, children who are runaways or throwaways, children who are physically handicapped, and children in trouble.

Moreover, as deinstitutionalization efforts in mental health and corrections move previously institutionalized children into foster care, our agencies are reporting more severe, complex and long-term cases. Foster care children with emotional problems, histories of delinquency, or those who have been victims of physical and sexual abuse will obviously require intensive treatment at greater costs. Assistance must remain available with sufficient flexibility to allow States to meet the individualized needs of each child they serve and each eligible child in need of foster care should be guaranteed the availability of such assistance. The Child Welfare League of America, therefore, strongly oppose the capping of foster care and urge the Subcommittee to do likewise.

(7) For FY 87, basing State's allotments on FY 84 expenditures and for FY 88 and each succeeding fiscal year, basing allotments on the preceding fiscal year, adjusted by the inflation factor (Sec. 3). This proposed amendment would not only disallow the fluctuating needs of the States and children whom they serve, but would further erode any type of measurement by which we gauge such fluctuations and, in effect, block grant foster care assistance. Despite the present scarcity of information regarding the foster care system, at least we now know where the decreases and increases occur. Such information, although minimal, provides an opportunity to study the cause and effects of differences among the States, with a view toward a more efficient service delivery. Finally, since the ultimate impact of this

proposed amendment is tied to the provision changing the current allotment structure and because information as to its effect is not fully known, we would request to reserve the right to a future comment, once the information is available.

(8) Revising the inflation factor (Sec. 3). On its face, this proposed amendment would appear to build-in future reductions in the foster care program. However, since the full scope of such reductions cannot be accurately reflected without the data regarding the proposed changes in calculating State allotments, we would request the right to a future comment, once the information is available.

(9) Deeming Medicaid eligible for children for whom an adoption assistance agreement is in effect and prior to adoption finalization. Specifying that such children are eligible for Medicaid from the State where they reside, regardless of whether such State was/is a party to the adoption assistance agreement (Sec. 4). We strongly support this provision with one suggestion that the Title XX -- Social Services Block Grant be also included for such purposes. The inclusion of Title XX would ensure the provision of social services to children adopted under an adoption assistance agreement in those States which continue to have a means-test in effect. Further, we would like to commend the Administration for its recognition of these problem areas of the adoption assistance program and for its willingness to take corrective action. The movement of children across State lines for purposes of adoption or even after the adoption has occurred has created many problems in terms of these children receiving the Medicaid services to which they are entitled. We believe that this situation has created a strong disincentive to promoting

special-needs adoption and will, therefore, work along side of the Administration to secure passage of this provision, provided Title XX -- social services are also included.

(10) Limiting to one-year, the submission of prior year claims (Sec. 5). We oppose this provision on the grounds that such a limit would impose an unreasonable deadline, given the time needed for county administered States to summarize their financial claims. We also believe that this does not take into account the time needed for all States to process their claims throughout the system -- from foster parents to child caring institutions to county run operations and back to the Federal government -- in a timely and accurate manner.

(11) Making permanent the voluntary placement provision and repealing the requirement for an annual report (Sec. 6). We strongly support the permanent extension of the voluntary placement provision given the current system of protections which are in place. We support the concept of voluntary placements which eliminate unnecessary court proceedings and which tend to place additional stress on the family thus creating a more traumatic experience for the child. We, therefore, believe that its use results in good child welfare practice and that its permanent extension will encourage States to expand its availability.

However, we do not support repealing the annual report requirement since we believe it is important to know the extent to which it is used, the reasons for such placements and whether such placements contribute to overall objectives of P.L. 96-272. We believe that the knowledge gleaned from such reports will further aid in the improvement of quality child welfare services and should therefore be retained as it exists under current law.

Moynihan/Stark bill

(1) Mandating foster care subsidies up to age 21 when the child is a full-time student in a secondary school or in an equivalent level of vocational or technical training (Sec. 101). The League strongly support this provision based on the fact that this is an often heard suggestion from our members regarding changes in the foster care program. In our survey, which we mentioned earlier, we asked our members to describe what they believe happens to children 18 and over who have had to leave foster care due the lack of a Federal and/or State subsidy. While we anticipated some negative responses, we did not anticipate the kind of hopelessness or sense of desperateness that we received with such consistency. For example:

- "Some exist on marginal jobs; others move in with others; some girls move into prostitution." (Iowa)
- "Join the service or join a street culture - get into trouble with authorities." (Arkansas)
- "Unless youth are prepared to become socially and economically independent, many will become known to the justice system and/or become future public assistance recipients." (Oregon)
- "Many end up as homeless, without funds and no skills." (New York)

In regard to the latter comment, recent studies are now showing that a large number of homeless youth have previously been in foster care. One such study, Runaway and Homeless Youth in New York City (Shaffer & Caton) found, based on interviews with New York City shelter users, that as many as 50% of the youth seeking shelter had a history foster care placement. We strongly believe that the abrupt termination of youth from foster care at age 18, due to the lack of a Federal subsidy, serves neither the goals of permanency planning nor the needs of that youth and ultimately the society into which he or she is tossed. Who among us was truly independent at age 18? Most of us in this room were fortunate enough to have families who helped us through this transition. For many of these youngsters, however, there literally is no one. It simply is unrealistic for us to expect that at the "magic" age of 18, this youngster can go out into the world, get a job, get an apartment, manage money and become independent. We, therefore, strongly urge this Subcommittee to favorably report out this provision and take the lead in addressing the incidence of homelessness among our former foster care youth.

(2) State Plan Requirements for Transitional Independent Living Programs for Older Foster Children (Sec. 102). For the many reasons cited above, we also strongly support this provision since we believe the extension of the Federal subsidy must also be tied to the provision of services aimed at preparing foster care youth to properly exit from the system. On March 14, 1985, the Child Welfare League of America sponsored a "Mini-Hearing" on Capitol Hill at which many House and Senate staffers were present. Testimony was presented by League members and staff on the necessity of independent living services to adolescents exiting from the foster care system. As explained by League staffer, Helen Stone, who is presently involved in a two-year national study surveying the success of independent living programs for such adolescents, "For foster youth, decision making may be more difficult in that they have had a greater sense of failure and they are more accustomed to having others make decisions for them: administrative agencies, parents, courts, foster parents, agency staff, etc." Based on this fact alone, Ms. Stone pointed out that foster children needed special preparation in developing confidence in themselves so as to enter into the decision making tasks so critical to independent life. Based on her review of independent living programs conducted at 42 voluntary agencies in 20 states, Ms. Stone

suggested particular emphasis be given to : housing issues, such as renting apartments, and signing leases; help with linkages to medical care; and job skills. Another panelist testifying at the Mini Hearing in regard to independent living needs was Bob Guthiel, Executive Director of a League member agency in New York. Mr. Guthiel testified regarding his agency's involvement in a class action lawsuit filed by the New York Coalition for the Homeless on behalf of all former foster care children, ages 18 to 21, who are now homeless after being discharged to independent living. The goal of the lawsuit is to obtain a court order directing State and City officials to provide adequate after-care services, including residential care, to these young people. The suit, as Mr. Guthiel explained is what results "when we have governmental policies which have no other goal beyond the single goal of discharging children from the foster care system as soon as possible without looking or probing more deeply into the human causes involved and the needs that are there." Mr. Guthiel's closing remarks at that time are quite fitting to the recommendations and request we would make of the Subcommittee in connection with this proposed amendment: "We are here today to ask you, with as much passion and energy as we can muster, (to do) what we can do to build on the better foundations that have already been laid in P.L. 96-272 and give those devastated young people the support they must have if they are going to have any chance at all." We agree and therefore, urge this Subcommittee's favorable action on the proposed amendment.

(3) Medicaid Coverage for All Adopted Children with Special Needs and for Children Prior to Finalization of Adoption (Sec. 201). We support these provisions based on the fact that many special needs children who are adopted have severe physical or mental handicaps requiring costly medical coverage. To extend to them the same medical coverage as is afforded to subsidy special

needs children, we believe, makes sense from a practice point of view. We further support the provision of Medicaid prior to finalization of adoption since these children are no longer technically in the foster care system and also technically cannot be defined as adopted, since their final adoption is pending. Many States have coped with this situation by certifying the potential adopting family as a foster family so that Medicaid coverage can be made available to that child. The problem then becomes an administrative one in terms of licensing and training requirements which extend to foster parents but which are not appropriate for potential adopting parents. The simpliest solution to this situation would be to deem the child who is in this "limbo" state, eligible for Medicaid and therefore, we urge that this amendment be adopted as proposed.

(4) Post-Adoption Services (Sec. 202): We also strongly support this provision, given that it too has been named as a high priority by our members, many of whom have witnessed an increasing demand for such services. Mary Jane Fales, a former League staffer, testified at the Mini-Hearing in March, on the need for post-adoption services. As Ms. Fales so succintly stated, "The vision that most of us had, which was of waving farewell at the courthouse steps to this newly formed family who were going to walk off into the sunset together, was really a fantasy. That for many of these families we had helped bring together, there was a lot of struggle and sometimes pain - that we really left them alone for the most part for them to deal with that." Citing a national Child Welfare League study, soon to be released, entitled "On Adoption Frontiers" by Kathleen Nelson, Ms. Fales pointed out that 90% of families who had adopted special needs children, who were interviewed for this study several years after the adoption had been completed, indicated that they needed some kind of ongoing help, such as counseling or therapy. Moreover,

when they had gone into the community to try to find some kind of help or support, they had struck out -- a great majority were unable to find any assistance.

Ms. Fales has been conducting her own survey, on the need for and availability of post-adoption services, the results of which are also soon to be published. In conducting this survey, one of the statistics which she shared as "not being documented" to any extent but which is "repeated often enough" so as to suggest some validity is that one out of every three children currently in residential treatment is, in fact, adopted. We don't know how many children may have been returned into our systems, their adoptions dissolved because they come in through a different door than they go out.

Ms. Fales, in sharing some of the preliminary information of her survey, indicated that she had been able to locate only between 30 to 40 programs around the country who consider themselves specialists in the area of post-legal adoption services. These programs include adoption agencies, private therapists, some clinical or residential treatment programs and so far, one self-help group. On the positive side, most of these programs are reporting a very high rate of success in a very short period of time -- 3 or 4 months on average. The results, by and large, have been that families who had been on the edge of placing the child into some kind of facility, had changed their minds and today, remain as intact families. On the negative side, as indicated earlier, very few of these exist. Most families who are in need of these services are having to go out into the mental health community and are finding, in general, very unsatisfactory results. Moreover, some of these families would be traveling as much as two or three hours just to go to a one-hour session with someone having a speciality in the area of treatment.

In summary, Ms. Fales outlined five major points that we would ask this Subcommittee to bear in mind during its consideration of this proposed amendment:

- Based on her survey, it is clear that adoptive families of all types need and want specialized post-adoption services and when they're available they come from everywhere to get them;
- The success rates are high in these programs and are preventing children from being returned into the system or placed into residential facilities;
- Agencies and States are who placing these children do have an ongoing responsibility, which is to support the families they have helped to create, and, if we do not we are going to find ourselves with fewer of these families available as an adopting resource;
- No one model agency, private therapist, clinic or self-help group is necessarily ideal for all the families we're talking about, but, whoever provides the services.
- Funding is currently a major barrier to more agencies and private therapists and clinics developing post-legal adoption services or to expand upon the ones that do exist.

Accordingly, we strongly support this amendment and urge the Subcommittee to report this as proposed.

(5) Training for Foster Parents and Staff Members in Child-Care Institutions (Sec. 301): Again, we strongly support this proposed amendment and rely on testimony from Joseph Bracco, Executive Director of a League agency in San Rafael, California, presented at the League Mini-Hearing in March, regarding the necessity for foster parent training.

Based on a recent study conducted by the California Association of Services to Children, also a League member, which surveyed the profiles of the 10,000 children served by its 60-member agencies throughout California, Mr. Bracco pointed out that the family characteristics, placement histories, presenting problems, and other indicators show that children now have more out-of-home placements, more difficult presenting problems, both in number and intensity, and are more damaged by past failures. Therefore, the demands for quality foster care are going to increase not diminish. In this context then it is critical that we look for ways to improve the delivery of foster care. We believe that training and support services directed at foster parents and child caring institutions are one way in which to do so and that the amendment, as proposed, would help to accomplish this.

With few exceptions, every State is reporting an increase in child abuse and neglect. There are increasing instances of sexual abuse in alarming proportions. The California study, noted earlier, reports that the degree of disturbance of children coming into out-of-home care has increased significantly in recent years. The needs of these children being placed in foster care means that foster parents must be mental health givers as well as parents. It is critically important to ensure that the caretakers to whom these children are entrusted -- the foster parents and child caring institutions -- are adequately prepared to carry out this task.

In outlining his own foster parent training and support program, Mr. Bracco said that one of the most significant spinoffs has been the development of a mutual support network among the foster parents. As they get to know each other, they find they are not alone in the problems and stresses they experience. They begin to share insights and approaches, provide respite opportunities for each other, and provide a network whereby they call on each other for support.

With respect to the impact of training, Mr. Bracco pointed out that providers who have had foster parent support and training indicated that the chance for the retention of the child in a foster home and conversely for the avoidance of placement failure, is enhanced. Foster parent/child care worker burnout is decreased. Additionally, the availability of foster parent training may serve as an incentive for difficult-to-find foster families, especially for those who may be inexperienced or hesitant about making such a commitment.

Mr. Bracco also suggested that while most foster parents welcome training opportunities, the programs must be developed in the context of being a support service, including for example, the provision of incentives such as respite or child care or the provision of stipends for participants.

In summary, Mr. Bracco offered three recommendations:

- The Federal government should assist the States by mandating the development of criteria, standards and specific plans for the ongoing training of foster parents;
- Federal funding should be made available to implement and support these plans;
- Agencies, both public and private, responsible for placing and supervising foster children should be mandated to provide a comprehensive orientation for all foster parents, available on an ongoing basis.

We are particularly pleased that, as proposed, this training would be tied to State licensing requirements and would be reimbursed to States under the training portion of Title IV-E, thus, providing substantial financial incentives to ensure a comprehensive training approach. We believe the provision that States develop the training and retraining in consultation with foster parents, appropriate child care providers, and advocacy groups is a positive step in helping to identify and address meaningful and revelant training issues. We would like to further state for the record that the Child Welfare League of America has developed a foster parent training curriculum which is used by States and child care providers and we would be happy to make this available to the Subcommittee as a model.

(6) Permanent Extension of the Voluntary Placement Provision (Sec. 401). As stated earlier, we are strongly supportive of making the voluntary placement provision permanent. We are also very supportive of and pleased to see that the annual reporting requirement is left as it exists in current law.

(7) 3-Year Extension of the Foster Care Ceiling and of the Authority to Transfer Foster Care Funds for Child Welfare Services (Sec. 402). We have noted our reservations about any provision which would ultimately cap the Foster Care Program. We do, however, strongly support the extension of the transfer provision given that this provides an effective way to supplement Title IV-B Child Welfare Services.

(8) Periodic Redeterminations of Eligibility of Children in Foster Care (Sec. 501): The Child Welfare League of America understands the administrative necessity of amending this provision so as to require that the redeterminations under Title IV-A, for purposes of foster care maintenance payments, be made only when there has been a change affecting such eligibility. We note our support of this amendment, as proposed, with the assurance that by so doing we are not weakening the system for Title IV-E children. Accordingly, the Child Welfare League of America, recommends that the Subcommittee favorably report this amendment as proposed.

(9) Biennial Reporting Requirement (Sec. 502): The Child Welfare League of America strongly supports the concept of a biennial reporting requirement. In this regard, we would like to insert a relevant statement made by the California Association of Services for Children, a League member agency, in the introduction to its recent study, entitled: The Foster Children of California: Profiles of 10,000 Children in Residential Care:

> "Without adequate information about the services provided to dependent, neglected and abused children - indeed, about the children themselves -- courts are making placements, executive

> branch agencies are making policy, establishing regulations and implementing programs and legislators are passing laws and providing (or not providing) funds. . .Beyond the endangerment of the children involved, the lack of information results in serious questions being asked about the efficacy, efficiency and cost of children's services generally. Absent data, these 'hard questions' cannot be answered. Unanswered, the questions continue to put good programs and the children they serve at-risk."

We agree and, therefore, support the concept of a biennial reporting requirement. However, we are concerned that in so doing we may be placing a burden on public agencies and inadvertently misdirecting their energies away from the provision of services to the collection of data and processing of paperwork. So that this not occur, we would suggest the provision of additional funds to help establish and implement a reporting system which would accomodate the gathering of the information as outlined in the proposed amendment. Accordingly, the Child Welfare League of America, supports this proposal, with the suggestion that the Subcommittee provide additional funds specifically for the purpose of assisting States in establishing this Biennial Reporting Requirement.

In conclusion, we come back to our opening paragraphs in which we outlined the various protections contained under P.L. 96-272 and which have done much to revoluntionalize the provision of child welfare services to needy children. In outlining these provisions, we were reminded of where, as providers of such services, we had been, where we are today and where we must go in the future. As always, our concern is the children who are so vulnerable and often so wounded that they cannot verbalize their need for protection. It is up to us, as child welfare advocates and providers of services, to then speak on their behalf; to point out where and how services designed to help these children might be improved.

In this context, we applaud Chairman Armstrong, the Administration, Senator Moynihan and Congressman Stark for beginning this dialogue and moreover, for allowing the Child Welfare League of America an opportunity to be included.

Also in this context, we are sincerely, troubled by the foster care amendments proposed by the Administration's bill, S. 1266. We believe that such proposals do not provide for the adequate protection of the children who enter the system of out-of-home care. Indeed, as pointed out, the individualized case planning protections which are so critical to the reforms envisioned under P.L. 96-272, would be all but ignored were a cap on foster care, in any form, to be implemented. The bonus payments, while perhaps well-intended, we believe, would seriously threaten the practice of quality child welfare service and cause greater harm to children at a time when they are attempting to heal their suffering. For these reasons, we simply cannot support these proposals. However, we do strongly support and will work for the passage of the adoption assistance amendments with the suggestions for improvements as earlier mentioned.

We are also strongly supportive of the Moynihan/Stark bill and will work toward the passage of each in both the House and Senate, according to our comments as outlined. We believe that each of the amendments contained in these bills is necessary at this time and, in combination, will address some of the service gaps presently existing under P.L. 96-272.

Accordingly, we would like to again thank the Chairman for the opportunity to present the views of the Child Welfare League of America on the two bills urge that the Subcommittee report out the Moynihan bill in its entirity and use it as the legislative vehicle for the integration of the proposals regarding the adoption assistance program and the permanent extension of the voluntary placement provision contained in the Administration's bill, S. 1266.

CWLA
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July 24, 1985

Mr. Edgar R. Danielson
Senate Finance Committee
SD-219
Washington, D.C. 20510

Dear Mr. Danielson:

Enclosed is the transcript of my oral remarks, which we have reviewed and corrected pursuant to your direction.

In regard to Senator Moynihan's request that we submit the New York study relating to foster youth who have aged out of the system and who end up on AFDC, the Child Welfare League did not cite that study in its written statement. We did, however, cite a study conducted in New York City by Shaffer and Caton, entitled Runaway and Homeless Youth in New York City, which we would be pleased to provide for the record, upon request. For your information, this study is 32 pages in length.

The AFDC study, I believe, was cited by the Children's Defense Fund in its written statement and you may, therefore, want to check with them regarding its inclusion in the record.

Thank you for the opportunity to review my remarks.

Sincerely,

David S. Liederman

David S. Liederman
Executive Director

GUARDING CHILDREN'S RIGHTS • SERVING CHILDREN'S NEEDS

Senator ARMSTRONG. Ms. Herrmann.

STATEMENT OF MS. SUSAN HERRMANN, MEMBER, AREA II COUNCIL, ASSOCIATION OF JUNIOR LEAGUES, WILMINGTON, DE

Ms. HERRMANN. Thank you.

I am Susan Herrmann of Wilmington, DE, a member of the area II council of the Association of Junior Leagues and a past president of the Junior League of Wilmington.

With me are Mary Francis McGuire, staff trainer for family court of the State of Delaware and Liane Sorenson, volunteer coordinator of the Delaware task force on permanency planning; both are members of the Junior League, and Sally Orr, director of public policy for the association.

I am pleased to have the opportunity to appear here today on behalf of the Association of Junior Leagues, an international women's volunteer organization with 252 member leagues and over 160,000 individual members in the United States, and to discuss with you proposed changes in Public Law 96-272. I wish to present a written statement, and with your permission, summarize the contents.

The Junior League of Wilmington has supported Public Law 96-272 since its inception. Today, I also bring a letter of support from Delaware's Department of Services for Children, Youth and their Families.

Six years ago a member of the Junior League of Wilmington spoke with two Congressional committees about Jenny, a young woman who was typical of a child in foster care at the time. Jenny had entered care because of neglect. And during her first 7 years in care, she had lived in three foster families.

At age 13, the prognosis for her future was release at age 18 to independent living. Because of Public Law 96-272, children like Jenny have seen improvements in their lives. In Delaware, the number of children in foster care has been cut in half. However, the picture is far from rosy.

Today, 55 percent of the children in Delaware's foster care system are boys. Let me tell you about Jeffrey and Bobby, who are typical.

Jeffrey is black, which is significant since black male children constitute the largest single group in care—30 percent. Jeffrey entered care at the age of 6 and stayed 6.7 years.

Bobby is white. He entered care at the age of 8 and stayed just 3.3 years. Jeffrey and Bobby and all children in care today are more fortunate than Jenny. Placement statistics for 1984 indicate they have only been placed once, not several times. And placement plans include return to the family or adoption.

But please note that it is white children who are more likely to exit care by adoption. Many black children only exit by reaching the age of majority.

At this time, I want to mention how pleased we are with the adoption incentives undertaken by the administration. In addition, we applaud the initiatives of Senator Moynihan in the legislation he introduced last week, S. 1329, which bolsters the independent living option for children leaving care and offers counseling upon request for adoptive parents of special needs children.

We believe the improvements in the foster care system in Delaware and other parts of the country are due in large measure to Public Law 96-272. We continue to support its reforms and incentives to eliminate unnecessary or long-term placement of children in foster care.

Specifically, the Association of Junior Leagues supports the changes in Medicaid reimbursement procedures contained in S. 1266. The association also supports the permanent authorization of Federal matching funds for children voluntarily placed in foster care.

The need for foster care can arise because of the community's economic conditions, family stress, increased awareness of abuse and neglect, or a lack of resources for families in crisis. States need options to offer families in times of need.

We strongly oppose the section of S. 1266 which eliminates reporting requirements for States utilizing voluntary placement. In addition, we urge Congress to require a level of reporting that would make monitoring and evaluating foster care possible throughout the United States. Without data, we will be unable to develop new programs or suggest future improvements for the delivery of services.

The association supports an increase in title IV-B funds which provide preventive and reunification services. However, we are opposed to the bonus system proposed in S. 1266. Since there is no uniform data on children in care, monitoring will be almost impossible. Some States now count children who return home from foster care as still in care until they have been home for 6 months. Others consider a child to have left foster care once he returns home. Some States consider a child placed in an adoptive home awaiting adoption to have left foster care, while others consider the same child to be in foster care until the adoption process is complete.

Confusing to say the least. Another of our concerns is the possibility of abuse of the system, either with inappropriate releases or extensions of time in care to qualify for the bonus.

By expressing our reservations about the bonus plan, we do not wish to convey the idea that children should remain indefinitely in foster care. We are in full support of good permanency planning and would be happy to work with this committee and the Department of Health and Human Services to develop other incentives to achieve that goal.

The association is also opposed to changing the funding pattern for title IV-E of the Social Security Act. Although the intent is to encourage a reduction in the number of children in care, many professionals anticipate that there will be a decrease in the services provided or an inability to accommodate all the children who should receive care.

We believe the need for Public Law 96-272 continues. We hope you will keep the Medicaid reimbursement proposals and the voluntary placement options. We urge you to reject proposals to change the funding patterns for titles IV-B and IV-E, and we ask you to consider further the proposed incentive plan for moving children out of care.

Thank you.

Senator ARMSTRONG. Thank you, Ms. Herrman.

[The prepared written statement of Ms. Herrmann follows:]

THE ASSOCIATION OF JUNIOR LEAGUES, INC.

TESTIMONY

OF

THE ASSOCIATION OF JUNIOR LEAGUES, INC.

ON

S. 1266, FOSTER CARE AMENDMENTS OF 1985 AND

THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980 (P.L. 96-272)

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY AND

INCOME MAINTENANCE PROGRAMS

OF THE

SENATE FINANCE COMMITTEE

ON

JUNE 24, 1985

PRESENTED BY

SUSAN A. HERRMANN

MEMBER, AREA II COUNCIL

THE ASSOCIATION OF JUNIOR LEAGUES, INC.

825 THIRD AVENUE, NEW YORK, N.Y. 10022 • (212) 355-4380

SUMMARY

The Association of Junior Leagues urges the Subcommittee on Social Security and Income Maintenance Programs of the Senate Finance Committee to maintain the child welfare reforms brought about by the Adoption Assistance and Child Welfare Act of 1980, (P.L. 96-272), which provides states with incentives to avoid unnecessary placement of children in foster care and to reduce the duration of placement by returning children to their natural parents or arranging for adoption.

I. The Association

The Association is an international women's voluntary organization consisting of 252 Junior Leagues, with 162,000 individual members in the United States. The Association promotes the solution of community problems through voluntary citizen involvement, and trains Junior League members to be effective voluntary participants in their communities.

II. Child Welfare Reform Supported by the Association

A. The Association supports the proposed changes in Medicaid reimbursement procedures contained in S.1266.

B. The Association supports the permanent authorization of federal matching funds for children voluntarily placed in foster care.

C. The Association strongly opposes the section of S.1266 which eliminates reporting requirements for states regarding voluntary placement, and the Association urges the Congress to require sufficient reporting to generate data necessary to monitor and evaluate foster care. We strongly urge that HHS establish minimum reporting standards to be followed by all states and require annual reports about states' compliance.

D. The Association opposes the bonus system proposed in S.1266 and urges caution in the development of such incentives to insure that they do not have a detrimental effect on children in care.

E. The Association strongly opposes the proposal to trigger a cap on funding for Title IV-E of the Social Security Act funds in any year in which $200 million is appropriated for Title IV-B of the Social Security Act.

F. The Association supports an increase in Title IV-B funds as a means of providing preventive and reunification services and believes this would achieve more than a bonus system.

G. The Association supports initiatives which would enable states to develop programs to assist older children leaving the foster care system to make a successful transition to independent living.

Good afternoon. I am Susan Herrmann of Wilmington, Delaware, a member of the Area II Council of the Association of Junior Leagues and a past president of the Junior League of Wilmington, Delaware. The Association of Junior Leagues is an international women's volunteer organization with 252 member Leagues in the United States, representing approximately 162,000 individual members. Junior Leagues promote the solution of community problems through voluntary citizen involvement and train their members to be effective voluntary participants in their communities.

The Association's commitment to the improvement of services for children and families is long-standing. Junior League volunteers have been providing such services since the first Junior League was founded in New York City in 1901. In the 1970's, the Association and individual Junior Leagues expanded their activities to advocate for legislative and administrative changes directed at improving the systems and institutions which provide services to children and their families. These advocacy activities focused on achieving passage of the Adoption Assistance and Child Welfare Act (P.L. 96-272) and opposing attempts to eliminate or weaken it. This is the eighth time that a representative of the Association has appeared before Congress to support this important piece of legislation.

I am particularly pleased to have the opportunity to appear before you today on behalf of the Association to discuss the proposed modifications in P.L. 96-272 because the Junior League of Wilmington was the first Junior League to join the Association's Legislative Network and representatives of the Junior League of Wilmington have testified twice before Congressional committees in support of P.L. 96-272.

Average Foster Care Child in Delaware

When a representative of the Wilmington League first appeared before a Congressional subcommittee six years ago, she reported on "Jenny", the average child in foster care in New Castle County, Delaware, in 1978. At that time, the computer profile for Jenny showed that Jenny had been 5.8 years old when she entered care because of neglect. Her father was not living with the family, and her mother was unemployed and emotionally troubled. She had one sibling, also in foster care, but in a different home. A variety of services were offered to her mother, but she either did not take advantage of them, or discontinued them, possibly due to a transportation problem or the inappropriateness of the services. Jenny's mother visited her infrequently.

At the time the profile was constructed, Jenny was 13 years old and had been in foster care for 7.2 years. She had lived in three different foster homes. While her initial placement goal had been to return to her mother, her current goal was permanent foster care.

As a result of foster care, Jenny's relationship with her biological family had been severely damaged by years of living apart. Jenny was experiencing foster care "drift"--wandering from foster home to foster home. While return to her own mother was improbable, it was also highly unlikely that the possibility of adoption of Jenny would be explored, since she was a teenager and considered to be in the "hard-to-adopt" category. Consequently, Jenny was never certain where she would spend Christmas or her birthday, or with whom. The prognosis for Jenny in 1978 was release from foster care at age 18 for "independent living." At that time Jenny would have spent more than 12 years in foster care in five different foster homes.

Today statistics reveal quite a different profile of the average child in foster care in Delaware. (Foster care review has been extended to all three counties in Delaware.) According to the Delaware Department of Services to Children, Youth and Families, the average time in care for the 902 children in foster care under the supervision of the Division of Child Protective Services in 1984 was less than two years. As in Jenny's case, the majority of these children entered care because of neglect, and their fathers are not living with the family. However, unlike Jenny, the average child in foster care in 1984 was now a boy and had been placed only once. His placement plan was either return to the family or adoption.

While this profile presents a considerably more positive picture than that of Jenny, it is important to note that the average age of a child in foster care in Delaware in 1984 was 10.6 years, indicating that the average time of care includes many children who have been in care considerably more than two years. An analysis of the 422 cases of the children reviewed by the Delaware Foster Care Review Board (FCRB) between July 1, 1983 and June 30, 1984, shows a more complex picture.

I would like to illustrate that picture by telling you about two average children in foster care, "Jeffrey" and "Bobby" who represent 55 percent of the children in care; girls represent 45 percent. Jeffrey is black. It is particularly important to look at what happens to black male children because they constitute the largest group in care--30 percent; black girls and white boys and girls are equally represented at about 22 percent of the total. Jeffrey entered care when he was six years old and stayed in care 6.7 years. Bobby--who is white--entered care when he was eight years old and stayed in care 3.3 years.

In general, boys tend to stay in care 1.4 years longer than girls, and black children tend to stay in care almost twice as long as white children. Thus, while the picture seems to be improving for white children, black children average more than six years in foster care. Further, the longer children remain in care, the greater the likelihood that they will not be returned to their natural parents. Black children such as Jeffrey exit care primarily by reaching the age of majority; white children exit through adoption.

We believe that the improvements in the foster care system in Delaware and other parts of the country are due in large part to the reforms made possible by P.L. 96-272. As a representative of the Wilmington League reported to Congress in 1982, many of the advances in child welfare initiated in Delaware were "in large part due to the fact that a train, in the form of what is now P.L. 96-272, was coming down the track." As a result of the momentum created by that train, a compromise version of legislation written by the Junior League of Wilmington mandating a citizen's review board for children in foster care was passed by the legislature and signed into law by Governor DuPont. In addition, the Family Court of the State of Delaware approved a guardian ad litem program supported by the League and judicial review of children in foster care was established.

We strongly believe there is a continued need for P.L. 96-272. For this reason, we are delighted that the Administration has dropped its attempts to place Titles IV-B and IV-E of the Social Security Act in a block grant and proposes to keep the Title IV-E adoption subsidy program open-ended. We also are pleased that the Chairman of this subcommittee has noted the strong bi-partisan support in Congress for this legislation and has pledged to work with all those interested to ensure widespread comments and review of any proposed modifications in Titles IV-B and IV-E.

Junior Leagues Encourage Adoption of Special Needs Children

Our interest in encouraging the adoption of special needs children is long-standing. Junior Leagues across the country have worked to encourage the development of adoption programs for special needs children. For instance, the Junior League of New York City worked on an adoption opportunities project from 1976 to 1983. The project disseminated information to the public on hard-to-place children and included sponsorship of a series of columns in the Sunday edition of the New York Daily News. The series entitled, "A Child is Waiting," which ran for two years, informed the general public about children in need of adoptive homes. The New York League received an award from the Mayor of New York City in recognition of this public service. The League's Adoption

Opportunities Committee also published, Adoption: A Guide to Adopting in the New York Area, which provides information about the requirements for adopting a child and the procedures which prospective adopting parents should expect when working with an agency. It also lists the adoption agencies in New York City and the surrounding area.

The Junior League of Fort Smith, Arkansas, started the "Family Find Project" in 1984, to find permanent homes for children whose ties with their biological parents have been terminated. The League provides four volunteers and made a grant of $2,450 to the project to help support this effort. The program operates in conjunction with the Adoptions Services Unit of the Arkansas Division of Social Services. Its objective is to place 100 special needs children per year. One aspect of the project consists of updating, expanding and distributing the portfolio used by adoption specialists and parent groups in the recruitment of families.

The Junior League of Rochester, New York, in 1977, provided financial support to volunteers to start a CAP (Council of Adoption Parents) book, a photo listing of hard-to-place children. The Rochester League provided $40,000 over three years and ten volunteers to get the project started; the project now has expanded nationwide. Funding had been sought from a large number of foundations, but efforts to obtain funding had been unsuccessful until the Junior League of Rochester provided support. Nearly 3,000 children have been listed and 1,662 have been placed in adoptive homes. Currently, more than 800 children are listed in the 387 CAP books which are in circulation in 39 states.

Other Junior Leagues have sponsored projects similar to the CAP books. For example, the Junior League of Atlanta, Georgia, provided $2,500 and five volunteers to support the "My Turn Now" project which is a photo listing of special needs children in the custody of the state of Georgia and available for adoption. The Junior League of Detroit joined with ten adoption agencies in the area to produce the "Waiting Child Directory Project", a listing with photographs of children in the metropolitan Detroit area who are available for adoption. The League provided $7,000 and ten volunteers to support the project.

Because of League activities such as these, we are especially pleased that the Office of Human Development Services has developed a National Special Needs Adoption Program and that the Administration has dropped its plans to cap the Title IV-E subsidized adoption program. As we testified in our earlier appearances before Congress, states are hesitant to begin new programs if they are uncertain that funding will be available. The national initiative signals that there is federal support for the adoption programs focused on special needs children.

Association Supports Medicaid Improvements

We are pleased that the Foster Care Amendments of 1985, S. 1266, introduced by Senator Armstrong at the request of the Administration, propose changes in the Medicaid reimbursement procedures which would make it easier for children who are eligible for Title IV-E Adoption Assistance Programs to obtain Medicaid coverage. We believe the proposal, which would eliminate the need to maintain token adoption assistance payments to continue Medicaid eligibility, will eliminate unnecessary red tape and reduce administrative expenses. In fact, the state of Kansas, responding to a survey conducted by the American Public Welfare Association (APWA) reported that it costs the state $70 in administrative costs to make these payments of $1 a month.

We believe that the proposal to specify that children receiving Title IV-E Adoption Assistance are eligible for Medicaid in the state where they reside will eliminate unnecessary red tape. Most importantly, it will ensure that these children receive the medical care that they need. At every Congressional hearing we have attended on P.L. 96-272, representatives of advocacy and adoptive parents groups as well as state officials have testified about the difficulties of assuring medical coverage for children receiving adoption assistance who move from one state to another.

This is an ongoing problem in Delaware. For instance, a nine year old Delaware boy with many medical problems was recently adopted by a Florida couple. Although the boy required a number of prescription drugs, the pharmacist in Florida would not fill the prescriptions because the child was not eligible for Medicaid in Florida. The pharmacist also refused to bill Delaware. The parents had to buy medicines for six months and be reimbursed by the private agency that had placed the child for adoption. However, the private agency could not be reimbursed by the state or the federal government because no mechanism has been established for payment. As a result of practices such as this, private agencies with purchase of service agreements in Delaware are having to dip into their endowments at an increasing rate. Nor can they turn to the United Way for assistance; the United Way of Delaware will not allocate funds for child welfare services because it considers them a responsibility of the state.

Association Supports Voluntary Placements

We also support another reform contained in S. 1266--the proposal to make permanent the provisions of Title IV-E which authorize federal matching funds for certain children who are voluntarily placed in foster care. We believe that the opportunity to place children voluntarily for short periods of time--providing certain safeguards against abuse such as those mandated by P.L. 96-272 are in place--allows parents to seek assistance without undue stigma or unnecessary state intervention. For instance, some low and middle income families with good parent-child relationships who need support in providing help for handicapped children seek state assistance in placement because they simply cannot meet the financial costs of those placements. For example, the APWA survey of states regarding P.L. 96-272 reports that Colorado uses voluntary placements exclusively for developmentally disabled children.

However, we strongly oppose the section of S. 1266 which would eliminate the reporting requirements for states regarding voluntary placement. The prohibition against federal financial participation (FFP) for payments of foster care for children who were voluntarily placed in foster care was made because of widespread abuses of the practice of voluntary placements. In recognition of these past abuses, P.L. 96-272 mandates a number of protections for children in foster care, including a provision that FFP is not available for any child who remains in foster care more than 180 days without judicial review and a requirement that a written agreement be made between the state agency and the parents or guardian of the child in placement.

Need for Uniform Data

These safeguards, of course, remain in place, but we believe that the federal government should not abdicate its responsibility for children for whom it is providing financial assistance by ceasing to require reports of the characteristics of these children; it would not have any way of monitoring a state's compliance with the conditions under which voluntary placements may be eligible for FFP. Future evaluation of the characteristics of children who are placed in foster care could lead to proposals for improvements in the foster care system. However, without data, it will be impossible to determine if states are in compliance with current law or if changes need to be made in current procedures.

In fact, we are increasingly concerned about the inadequacy of data regarding foster care maintained by the Department of Health and Human Services. As the Congressional Budget Office points out in its study, Reducing Poverty Among Children,

> Comprehensive national data on the number of children and families receiving various child welfare services, and the costs of those services, are inadequate. The collection of such data would greatly improve efforts to evaluate current services and programs, and to assess policy options in this area. (Reducing Poverty Among Children, Congress of the United States, Congressional Budget Office, May 1985)

We believe it is impossible to develop sound policy or monitor or evaluate existing policy without adequate information about the effects of new policies and procedures. For this reason, when the regulations for P.L. 96-272 were published for public comment, the Association strongly urged that HHS establish minimum reporting standards to be followed by all states and that HHS should receive annual reports about states' compliance with these requirements. However, in its statement published with the final regulations for P.L. 96-272 in the Federal Register of May 23, 1983, HHS rejected the request for specific reporting requirements.

Consequently, it is impossible to obtain uniform data regarding children in foster care. The only uniform reporting currently required of states by HHS is the average monthly number of children for which expenditures are claimed. While this tells us the number of children in IV-E foster care at a particular time (101,594 in 1983), it tells us nothing about the characteristics of these children, not even the length of time these children are in care. Since the monthly figures merely represent the total number of children served in a particular month, there is no way of knowing to what extent they represent the same children or different children.

The principal other reporting system utilized by the Office of Human Development Services (OHDS) is the Voluntary Cooperative

Information System (VCIS) operated by the American Public Welfare Association (APWA) under contract to OHDS. The voluntary aspect of this system makes it impossible to collect uniform data. While reports from all 50 states and the District of Columbia are included in the most recent compilation of VCIS statistics, states used 20 different definitions of foster care. For instance, some states count children who return home from foster care as still being in foster care until they are at home for six months. Others consider a child to have left foster care once he/she returns home. Other states consider a child placed in an adoptive home awaiting adoption to have left foster care, while others consider a child who is placed for adoption to be in foster care until the adoption process is completed. Furthermore, since the reporting system is voluntary, not all states answer all questions, so the compilation of data is based on a fluctuating data base.

Defects in Bonus System

This absence of adequate data is one of several reasons why we believe the bonus system proposed in S. 1266 for reducing the number of children in long-term foster care is unworkable. We also are concerned that the proposed system would be subject to abuse. For instance, an administrator intent on enhancing his department's revenue could encourage staff to delay returning children to their homes or placing them for adoption until they have been in care for 24 months. In other cases, children may suffer because they are returned home at an inappropriate time or parental rights could be terminated prematurely. In addition, there is no requirement that children remain out of foster care once removed, so they could be removed to meet the requirement for the bonus and returned to foster care shortly thereafter, thus creating a sense of further impermanence in their lives. There also is a question about what type of monitoring would be needed to ensure that abuses do not occur and follow-up to determine what has happened to those children removed from care.

Our concern about the bonus system does not in any way indicate that we believe that children should be allowed to remain indefinitely in foster care. We strongly believe in good permanency planning. We are pleased that HHS is looking for new ways to expedite a child's attachment to a permanent home and would be happy to work with this committee and HHS to develop other incentives for developing these methods.

Association Opposes Changes in Title IV-B "Trigger"

We strongly oppose the proposal to trigger a cap on IV-E foster care funds in any year that $200 million is appropriated for Title IV-B. The trigger mechanism for capping foster care funds established by P.L. 96-272 was developed after widespread consultation with a variety of groups. The decision to set limits on entitlement programs available to some of the most underprivileged children in this country was difficult. The agreement to support the legislation was made because of the opportunity to substantially increase Title IV-B funds, thereby providing more money for preventive and reunification services. P.L. 96-272 states that the cap on foster care cannot be imposed unless $266 million has been appropriated for Title IV-B two years in a row. To date, $200 million is the highest amount appropriated and that amount was first appropriated for the current fiscal year.

It is important also to remember that inflation has significantly eroded the value of $266 million since P.L. 96-272 was enacted. In addition, P.L. 96-272 substantially increased funding levels for Title XX of the Social Security Act, the prime federal funding support for child protective services. However, the Omnibus Budget Reconciliation Act of 1981 cut Title XX funding by 21 percent, putting further stress on an already overburdened child protective service. The CBO report also points to the cutbacks in Title XX funding and the slower than expected growth in Title IV-B as one of the reasons states have had difficulties in fully developing and implementing the preventive and reunification systems required by P.L. 96-272.

Although the intent of the cap is to encourage a reduction in the number of children in care, the expectation among professionals is that there will be a decrease in the services provided to children in care or an inability to accommodate the actual number of children who will be in need of care. In addition to being considerably lower than the cap established by P.L. 96-272, the foster care funding cap proposed by S. 1266 would not allow states the flexibility to meet their particular needs. Establishing the allocation of funds in proportion to a state's share of funding for FY 1984 does not allow for changes in the economy or major disasters which can result in an upsurge of foster care placements. It is important to remember that approximately three-quarters of the children in foster care are placed because of the absence of their parents or the condition of their parents, e.g. mental illness. Placing a restrictive cap on foster care funds without ensuring funding for preventive and reunification services can endanger children's lives.

According to the National Council on Child Abuse, a 30 percent increase in reporting is expected nationally over the next three years. This trend has already been documented in Delaware by the Intra-Family Child Sexual Abuse Program--a cooperative effort between the State's Division of Child Protective Services, New Castle County Police Department, and the State's Attorney General's Office. In New Castle County in 1982, 23 of 51 reported cases were substantiated; in 1984, 124 of 187 reported cases were substantiated. The two other counties in Delaware also report an increase in sexual abuse cases. In Kent County, six of 15 reported cases were substantiated in 1982, and 38 of 72 reported cases were substantiated in 1984. In Sussex County in 1982, seven out of eight reported cases were substantiated, while 52 out of 99 reported cases were substantiated in 1984.

We also do not believe that the proposed limitation on foster care or the bonus system will encourage adoption or good permanency planning. There is no restriction on the types of children for whom the bonus will be paid other than that they must be in foster care more than 24 months. The child may not even be legally free for adoption, and in some cases, it might actually be inappropriate to move for adoption. Ideally, children who are free for adoption should be placed immediately. Children who are ready to return home should be returned. The 24-month bonus system would work against both these sound policies. In all cases, natural families need to be offered services to help them keep their children and when this is not possible, legal requirements must be met to free the child for adoption and find an adoptive home. The bonus would not be paid until after a child left care, so the funds would not be available for these services.

We believe that increasing Title IV-B appropriations to provide for increased preventive services--a need cited by 21 of 23 states surveyed by APWA--would do more to advance permanency planning than creating a bonus system that could be subject to widespread abuse. If some type of financial incentive program is developed, we believe it should target on assisting families to prevent placement or expediting the adoption of special needs children with multiple handicaps who cannot remain at home. We also would support initiatives designed to help older children who leave foster care to make a successful transition to independent living. In addition, we would encourage Congress to consider providing incentive funding to encourage innovative state preventive and reunification service programs as suggested by CBO in its report. The State Public Affairs Committee of the New Jersey Junior Leagues was one of the groups instrumental in achieving passage of the emergency cash fund for protective services cited by CBO.

In summary, we urge you to support the reforms included in S. 1266 regarding Medicaid coverage for special needs children who are adopted, to preserve the option for voluntary placement and to reject proposals to change the funding patterns for Titles IV-B and IV-E established by P.L. 96-272.

Thank you for this opportunity to appear before you today.

Susan Herrmann
Member, Area II Council
Association of Junior Leagues

Senator ARMSTRONG. Mr. Gantt.

STATEMENT OF JOHN GANTT, EXECUTIVE DIRECTOR, CROSSROADS CHILDREN'S HOME, FORT WAYNE, IN

Mr. GANTT. Senator Armstrong, and Senator Moynihan, thank you for the opportunity to testify regarding foster care. I am John Gantt, representing the National Association of Homes for Children [NAHC] an organization composed of 400 private, nonprofit agencies providing homes for children. I personally direct such an agency in Indiana.

With me is Dr. Ian Morrison, the chairman of NAHC's Public Affairs Committee, who also directs such an agency, one located in New York State.

I wish to address the bonus provision of S. 1266.

Public Law 96-272 has already brought about the following changes in foster care: There are many, fewer younger children who are placed in residential group care programs now; youngsters in the foster care system are moving through the system more rapidly; placements in the foster care system are regularly and frequently monitored in judicial administrative hearings to determine the need for placement and the need for continued placement.

Public Law 96-272 has essentially guaranteed that youngsters in foster care today are predominantly the so-called hardcore placements. They are older adolescents. They and/or their families' problems are much more intractable. Placement is not a matter of choice but of necessity.

Let me cite only three examples of the troubled and abused youngsters who live in my foster facility.

Betty was locked in the upstairs of her home and fed only one meal a day, which was usually mush or oatmeal. Her grandmother used the Social Security disability check to pay for other things, but not for Betty's care.

Alice is accused of murdering her baby, a baby which died of malnutrition and infection resulting from severe diaper rash. But she lived in the same household with adults—her own mother, a stepfather, uncles and cousins, all of whom ate regularly and well and who sexually abused Alice regularly.

Barbara sat on the center line of a busy street hoping to be run over by a car so her life would end. She had watched her older sisters be pressed by their mother to become sexual partners with her stepfather as each became 14 years old—and her birthday, the 14th, was just days away. She couldn't face it.

Do you think that the problems of the youngsters and families like these can arbitrarily be presumed fixable within 24 months? And do you believe that such children whom I cite above should return any time soon to their families or that we should play incentive games with the length of time they stay in a foster care treatment facility?

The administration suggests that these children be adopted because "all children are adoptable." However, in two of the three cases cited, parents or guardians refused to terminate their rights to these children. Under the law, they are not adoptable.

Furthermore, even if a child is legally adoptable, he or she may not want to be adopted. They realize that bonding with adoptive parents will take at least 2 or 3 years, and by that time they will be out of the family or the home and on their own. Adoption does not necessarily mean permanency. Our members report case after case of failed adoptions today. There can be little worse than a failed adoption for an already troubled child.

It is our opinion that if S. 1266 becomes the style for our programs and would no longer pay much attention to personal needs, but only to financial expedience—that already happens, of course. But to assume that in this country there is a massive attempt to keep children too long in a foster care or group setting, is to assume that somewhere there is money to be made and fortunes to be amassed by keeping children away from their homes. Increasingly, seriously disturbed young children who are referred to the majority of this country's residential settings demand specialized, expensive, technical services which none of us can afford to offer for unlimited lengths of time. The fact that most of us raise funds from private sources to subsidize the cost of care for today's youngsters indicate strongly that we are not in this business to warehouse kids in institutions.

If the clause providing a bonus tied to a time limit in foster care is not removed, we believe many youngsters such as I have described will be returned prematurely to the pathological environment which forced them into foster care in the first place. Many others will return to what are realistically nonexistent families. And still others will be prematurely adopted. In all cases, the youngsters will be forced to live on the streets.

Officials throughout the country are already warning of the increasing crisis of homeless youngsters. S. 1266 will cruelly fuel the increase of desperate young people who have no place which can legitimately be called home.

It's our recommendation that we delete the clause providing a bonus tied to the 24-month time limit for foster care.

Further, we would suggest that you add substitute provisions, such as those found in Senator Moynihan's proposed bill, providing funding for supervised independent living programs and providing services during the transition from foster care placement to final discharge. Above all, and most importantly, we urge you to recognize that there is no panacea for fixing the problems of troubled youngsters and their families. These youngsters are individuals whose needs must be individually assessed and individually met.

Thank you for this opportunity.

Senator ARMSTRONG. Thank you.

[The prepared written statement of Mr. Gantt follows:]

TESTIMONY PRESENTED TO THE
SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENANCE PROGRAMS
COMMITTEE ON FINANCE
UNITED STATES SENATE
ON BEHALF OF
THE NATIONAL ASSOCIATION OF HOMES FOR CHILDREN

BY
MR. JOHN GANTT, EXECUTIVE DIRECTOR OF CROSSROAD,
FORT WAYNE CHILDEN'S HOME
ACCOMPANIED BY
DR. IAN MORRISON, CHAIRMAN OF THE
PUBLIC AFFAIRS COMMITTEE OF NAHC

JUNE 24, 1985

SUMMARY OF TESTIMONY

I. Introduction

The National Association of Homes for Children (NAHC) is an organization of 400 private, nonprofit child care agencies for children who are neglected, abused and handicapped.

II. Impact of P.L. 96-272

A. P.L. 96-272, because of its system of judicial and administrative reviews, has insured that children in foster care are "hard core" placements.

B. Examples of such children include those who have been physically and sexually abused and those who are physically and mentally handicapped.

C. These childen's problems and their families' problems cannot be presumed fixable within 24 months.

III. S. 1266 -- Provision Dealing With Incentives to States Reducing Their Long-Term Foster Care Population

A. Children in long-term care cannot necessarily return to their families at the end of 24 months in foster care.

B. Many of these children should not be adopted because they are not legally free for adoption or because they do not want to be adopted.

C. Adoption does not mean permanency. Failed adoptions are increasing.

IV. Results of S. 1266

A. S. 1266 will cause the states to pay more attention to financial expediency and less to a child's needs.

B. S. 1266 will force children to return home or be adopted prematurely. Ultimately, these children will end up back in foster care or on the streets.

V. Recommendations

A. Delete the bonus provision.

B. Add provisions related to funding for independent living programs.

C. Recognize that there is no panacea to fix the problems of troubled youngsters and their families.

TESTIMONY OF MR. JOHN GANTT

SOCIAL SECURITY AND INCOME MAINTENANCE PROGRAM SUBCOMMITTEE

June 24, 1985 -- 2:00 PM

Mr. Chairman and Members of the Committee;

Thank you for the opportunity to testify regarding foster care. I am John Gantt representing the National Association of Homes for Children (NAHC), an organization composed of some 400 private, nonprofit agencies providing homes for children who, for a multiplicity of reasons including neglect, abuse, handicaps, cannot remain in their own homes. I personally direct such an agency in Indiana. I am accompanied today by Dr. Ian Morrison, the Chairman of NAHC's Public Affairs Committee.

The members of our association provide homes for children in various settings, including:

- adoptive homes;
- foster family homes;
- community-based group homes;
- supervised independent living arrangements in apartments; and
- residential treatment centers providing care in small group settings.

S. 1266

One particular aspect of S. 1266 needs to be addressed on behalf of our Association: The "bonus" provision tied to a 24-month time limit for foster care placement. The clear implication of this provision is that youngsters' problems can be cured or "fixed" within 24 months. Let us examine this implication.

P.L. 96-272 has brought about the following changes in foster care:

- many fewer younger children are placed in residential group care programs;
- youngsters in the foster care system are moving through the system far more rapidly;
- placements in the foster care system are regularly and frequently monitored in judicial/administrative hearings to determine need for placement and need for continued placement.

P.L. 96-272 has essentially guaranteed that youngsters in foster care today are predominantly the so-called "hard core" placements.

- they are older adolescents;
- their and/or their families' problems are much more intractable;
- placement is not a matter of choice but of necessity.

Who Are The Youngsters?

Let me cite only four examples of the troubled and abused youngsters who live in my foster care facility:

Betty was locked in the upstairs of her home and fed only one meal a day, which was usually mush or oatmeal. Her grandmother used the Social Security disability check to pay for other things -- but not for her care.

Alice is accused of murdering her baby which died of malnutrition and infection resulting from severe diaper rash. But she lived in the same household with adults -- her own mother, a stepfather, uncles and cousins, all of whom ate regularly and well, and who sexually abused her regularly.

Danny is a borderline personality, so unpredictable and unmanageable that his family has simply disowned him. They want nothing to do with him ever again, and neither do any of the foster homes he used to live in.

Barbara waited on the center line of a busy street, hoping to be run over by a car so her life would end. She had watched her older sisters be pressed by their mother to become sexual partners with her stepfather as each became 14 years old -- and her birthday (14th) was just days away. She couldn't face it!

Do you think that the problems of the youngsters and families I have cited can arbitrarily be presumed "fixable" within 24 months? And, if not:

Do you believe that such children whom I cite above should return any time soon to their families?

Or that we should play incentive games with the length of time they stay in a foster care treatment facility?

The Administration suggests that these children be adopted because "all children are adoptable." However, in three of the four cases cited, parents or guardians refuse to terminate their rights to these children; so, under the law, they are not adoptable.

Furthermore, even if a child is legally adoptable, he or she may not want to be adopted. The average age of children in our care is 13. Those 15 and over generally do not want to be adopted. They realize that bonding with adoptive parents will take at least two or three years and, by that time, they will be out of the home on their own.

Finally, adoption does not necessarily mean pemanency. Our members report case after case of failed adoptions today. And, there can be little worse than a failed adoption for an already troubled child. Failed adoptions diminish any self-esteem a child may have had and they place a child in terrible limbo -- divorced from the past, with no clear future. The majority of failed adoptions can be prevented with proper counseling and professional discretion. However, even under P.L. 96-272 as it is now written, professional discretion is not a factor in the mechanistic, "least restrictive placement" approach to discharging children from foster care. How much greater will the problem of failed adoptions become if states are given more incentives to ignore professional discretion?

The Result

It is our opinion that if S. 1266 becomes the style for our programs, we will no longer pay much attention to personal needs -- but only to financial expediency. That already happens, of course, but to assume that in this country there is a massive attempt to keep children too long in a foster care or group setting is to assume that somewhere there is money to be made and fortunes to be amassed by keeping children away from their homes.

On the contrary, the increasingly seriously disturbed young people who are referred to the majority of this country's residential settings demand specialized, expensive, technical services which none of us can afford to offer for unlimited lengths of time. The fact that most such centers raise funds from private sources to subsidize the cost of care for today's youngsters indicates strongly that we are not in this business to warehouse kids in institutions.

We cannot afford to do that -- and while there may be some abuses somewhere, we urge you not to be convinced that those abuses are a representative picture of the delivery of residential services in the United States.

If the clause providing a "bonus" tied to a time limit in foster care is not removed, many youngsters such as I have described will be returned prematurely to the pathological environments which forced them into foster care in the first place. Many other such youngsters will return to what are, realistically, non-existent families. And still others will be prematurely adopted. In all cases, the youngsters will be forced, or will opt, to live on the streets. Officials throughout the country are already warning of the increasing crisis of homeless youngsters, a crisis threatening to reach dimensions not seen since the 1930s. To a significant extent, this phenomenon is attributable to the effects P.L. 96-272, in its present form, is already having. S. 1266 will cruelly fuel the increase of desperate young people who have no place which can legitimately be called "home."

Recommendations

1. We recommend that you delete the clause providing a "bonus" tied to a 24-month time limit for foster care.
2. Further, we would suggest that you add substitute provisions such as those in Sen. Moynihan's proposed bill providing funding for supervised independent living progrms and providing services during the transition from foster care placement to final discharge.
3. Above all, and most importantly, we urge you to recognize that there is no panacea for "fixing" the problems of troubled youngsters and their families. These youngsters are individuals whose needs must be individually assessed and individually met.

Senator **Armstrong**. Senator Moynihan.

Senator **Moynihan**. Mr. Chairman, if you would bear with me, I'm going to brag a little bit about the junior league. The junior league was founded at the turn of the century by the aunt of W. Averell Harriman to recruit young ladies to work in the settlement houses which were developing at that time, in an era not different from our own, when children were just running wild in the streets of New York and they needed to be looked after. And not every organization keeps to its original purposes over what is nearly a century. Isn't that right, Ms. Herrman?

Ms. **Herrman**. Yes.

Senator **Moynihan**. And—if there is anything that equips the members of the league is that they are, in the largest number, mothers in their own right and they have families in their own right, and they know how much hard work is involved in finding a home and placing a child. I mean it is hard labor. And it takes years. I mean 4 years is no time at all for some of those things. And you do it. You do it all over the country. You do it in Colorado. And it started in New York. I just wanted to make that point.

I wanted to ask Ms. Herrman, if I can, that I think the whole panel would agree on. That we do need good uniform data here, don't we.

Ms. **Herrman**. Yes; in trying to prepare for this testimony, we found that there was not uniform data throughout the various States. Different States report different lengths. And it would be very helpful if the Department of Health and Human Services would insist upon uniform reporting.

Senator **Moynihan**. I mean it's an aspect of our general concern not to see these children lost in the system. We will just know a lot more with the data and be able to think more clearly about the issues.

I'd like to just say to Ms. Allen that we always appreciate the Children's Defense Fund's outstanding exhaustive, analytical approach.

And to you, Mr. Liederman, I can't say it better than you did. Foster care is entitlement of the Social Security Act. If anyone thinks otherwise, say so. A child with a parent is entitled to aid to families with dependent children. How we use the program is one thing. But it is an entitlement. And we don't want to sever it because the situation of children is reaching a crisis.

Is there any of you here who doesn't think we are beginning to have a crisis of abandoned and neglected and abused and insufficiently supported children?

[No response.]

Senator **Moynihan**. I think, Mr. Gantt, you mentioned that around the country people think of it as approaching the condition of the 1930's.

Mr. **Gantt**. Correct.

Senator **Moynihan**. Which was a condition of a prolonged economic crisis. Europe had this kind of a problem in the 1920's. There were swarms of children who made their way around Europe in the aftermath of war, like young packs of children.

But it is the uniform testimony that it's here; it's not coming. It's here.

But I'd like to just include—I am making a speech myself, but let me just call the attention of my chairman and friend to the fact that when my grandfather left County Kerry, he made his way to a town in western New York and got a job with the pipeline and he dug pipelines for about 40 years and then he reached the point where he had dug enough pipelines and he stopped where he was at the time. And that was a little town about 4 miles from Fort Wayne, called Bluffton, IN. I know Fort Wayne well from visiting Bluffton. I think you probably know where Bluffton is.

Fort Wayne is on the Wabash, isn't it?

Mr. GANTT. No, sir.

Senator MOYNIHAN. What is the river?

Mr. GANTT. We have three rivers. The St. Joseph, the St. Mary's, and the Mowmee.

Senator MOYNIHAN. St. Mary's and the St. Joseph. Wabash is a little north.

Mr. GANTT. Toward the center of the State.

Senator MOYNIHAN. Yes; but it's a—but it's river city.

Mr. GANTT. Yes, sir.

Senator MOYNIHAN. The nicest little city you would ever want to see is Fort Wayne, IN.

Mr. GANTT. One of the most liveable cities in the United States.

Senator MOYNIHAN. One of the most liveable cities in the United States, and yet you have children lying in the middle of your streets hoping to be run over and killed in order that they not go home.

Mr. GANTT. That's correct. That illustration was a Fort Wayne girl.

Senator MOYNIHAN. A Fort Wayne girl. You have children who are accused of murdering their babies and who are abused and beaten. You have boys who can barely talk. You can't find adoptive homes for them, you can't send them home, and you have to take care of them. And foster care is sometimes the best and most humane thing that can be done. And it doesn't only happen in Chicago. It happens in Fort Wayne, IN, one of the nicest places to live in the world. I mean if you want to define lucky, it's being born in Fort Wayne and growing up there.

But not for everyone. Just not for everyone. And not for a very great many.

Mr. Liederman.

Mr. LIEDERMAN. Yes; I just wanted to pick up on the crisis aspect in the foster care because I think you are really saying a lot of the things that we feel very strongly.

Foster care has been the whipping boy. And I think it's grossly unfair. And let me say something about foster parents. Foster parents are probably one of the greatest resources we have in the United States. There are some phenomenal people out there who take children into their own home, who provide great care at a reimbursement that is hardly worth talking about.

Senator MOYNIHAN. About $190 a month.

Mr. LIEDERMAN. And what we need to be doing is strengthening that. We need to be working with that system and helping those foster parents, because both the Family Foster Care Program and the group residential programs provide in many instances the best hope for a lot of these kids that you are talking about, who are in crises, and who need that kind of help. And I think we should not forget it.

There's a saying if something ain't broke, don't fix it. Public Law 96-272 is working very well, OK. It has accomplished a lot of the things that it set out to accomplish. It's not broke. It's working. Why do we now all of a sudden have to come in with a cap, with changing the trigger, with a bonus? You know, really trying to force—I mean we have probably reduced the system as much as you practically can.

And we are for moving as many kids out of foster care as you possibly can and with adoptive homes or back into their own homes. But let's do it with individualized case plans. Let's do it sensibly and let's do it in the way that the law was intended for us to do it.

Senator MOYNIHAN. Thank you, Mr. Chairman.

I wanted to ask one further question, but you go ahead with yours.

Senator ARMSTRONG. Well, I want to join in your general congratulation of Fort Wayne, IN. [Laughter.]

I've never visited that place, but I'm certainly motivated to do so after all that has been said here today.

And I also want to compliment the junior league. And you are correct. We have a very active junior league in Colorado. In fact, representatives of the Junior League of Colorado have testified before this committee, and, in fact, have performed a great service. In fact, I congratulate all of the witnesses for their testimony.

I want to ask Mr. Liederman this question. I gather that from your testimony while you favor the placement of foster care children in adoptive homes or in their natural homes, you do see that there is a certain irreducible number that are just simply going to remain in foster care until they are emancipated. Do you have a sense out of your experience and that of your organization of what the numbers are? We are at a quarter of a million roughly now. Is that the practical minimum?

Mr. LIEDERMAN. I don't know.

Senator ARMSTRONG. Or can we reduce it or do you have a sense of that?

Mr. LIEDERMAN. I don't think we should accept that it's the minimum. I think we should try to continue to force the system as much as we can, and we are for that.

But, you know, I would go a step further, Mr. Chairman. I think that there are some kids for whom foster care is a legitimate alternative. It's good practice. It's a good alternative for some kids, given where they are in their life, their relationship to their family, their own particular problems, the availability of a group care facility or a family that is willing to provide care for them. I don't think we should just say that foster care is the last resort. I mean for some kids it's a very legitimate alternative and we should look to it as an alternative that can really help some kids.

Should we press the system? Absolutely, we should press the system. And I think the law does it. And I think we should continue to do that.

Senator **Armstrong**. You really would not care to say whether or not you think we are at about the bottom or not.

Mr. **Liederman**. It's so hard to say. I really couldn't.

Senator **Armstrong**. All right.

Mr. **Liederman**. And I would be just making it up if I did.

Senator **Armstrong**. Fair enough. And I think it's fair to note the point you've made that there will be some young people, particularly those of a certain age, where adoption may not be a practical alternative and foster care is the only practical alternative or the most desirable alternative available.

Mr. Gantt, I would like to go back to the cases that you cited. They certainly were shocking. And I know Senator Moynihan would feel as I do that it's just shocking to the conscience of any thoughtful person to imagine the brutality that these young people are subjected to as you described it. But I want to ask this question. In the particular cases you described, as a result of this coming to your attention or the attention of the authorities: What kind of legal proceedings ensued? And as a result of these legal proceedings, did the children involved become adoptable?

Mr. **Gantt**. No; they did not. In most cases, particularly in abuse cases of this sort, there is very little done with the parent or the adult who is legally abusive—who is abusive of the child. While there are laws that can address that, typically what happens is the child is removed from the home and placed in an institution.

In each of the three cases that I have cited, I don't know of any successful legal action that was taken against the parents, thus releasing the children for adoption.

Senator **Armstrong**. Why not? In the specific cases that you have cited, why would there not be legal action taken against the parents?

Mr. **Gantt**. I don't know that I can cite all of the reasons because we are not usually involved as an advocate of the family in this case, but as an advocate of the child. But in cases where the family has been brought to the attention of the court, typically, there is some recommendation for some counseling. There is very little teeth in the laws at least in our area to enforce that. And so some cursory appearance at a mental health center is usually done and the parents are free after that.

Senator **Armstrong**. Would you be kind enough to furnish to the staff of the committee the specifics of those cases you cited? I'd like to look into the law enforcement aspect of it because if the circumstances are what you have cited, it seems to me that something more than counseling is indicated for the people involved.

[The information from Mr. Gantt follows:]

Crossroad

FORT WAYNE CHILDREN'S HOME / 2525 LAKE AVENUE, FORT WAYNE, IN 46895 • BOX 5038 HAZELWOOD STATION • 219/484-4153

July 18, 1985

The Honorable William Armstrong
United States Senate
Washington, DC 20510

Dear Senator Armstrong:

You requested additional information about the cases we cited during the June 24 hearings on S. 1266.

"Betty" (who lived with a grandmother) was not released for adoption. The court took the position that as long as there was a family member willing to care for her, parental rights were not to be terminated.

"Alice" (accused of murdering her baby) was clearly a "child in need of services". However, the court took the position that she should be tried for the alleged murder, and subsequently sent her to a correctional facility. Her birth parent expressed willingness to take care of her, and so parental rights were not terminated even though the parent is not providing adequate care for the child.

"Barbara" (waiting on a center line of the street to be killed by a car) was so traumatized by her abusive family situation that she received not only the care and treatment of our facility, but was also treated in a state psychiatric program. Even if she were released for adoption (and she wasn't), she needs professional help to cope with the fear, anger, and depression which rack her days and nights. Barbara's mother has no intention of voluntarily releasing her child for adoption and a petition for termination of parental rights was not acceptable to the court.

An incentive system to reward states which reduce numbers of children in foster care through adoption will have little effect in our courts where the decisions must be made to terminate involuntarily rights of parents. That's one reason why many children are simply not adoptable--courts are reluctant to terminate parental rights and thus free children for adoption.

Another reason why more children are not adoptable lies with the children themselves. Many are unwilling to be adopted. None of the above children, for example, was interested in even talking about living with adoptive parents. They want either to return home, or to be on their own.

In fact, as we discuss issues with young people such as "what would you do about the baby if you had an unwanted pregnancy?" the replies reduce to these, and in this order: abort; keep the child; and (a far distant third) adopt out the child.

Whether or not this seeming revulsion to adoption is related to concerns about adoption failures, we cannot yet say. But we do know that workers around the country are reporting an alarming number of referrals which involve children from failed adoptions. There is little data as yet, but the reports are rampant.

We utiiize adoptions--where feasible and appropriate. Many member agencies of the National Association of Homes for Children place children with special needs in adoptive families. All of our members support adoption as one of the possible options for children they serve. Many operate their own adoption agencies.

We strongly oppose the technique of moving children into adoption because of economic incentives to states. The number of children in the foster care system who do not want to be adopted; the disinclination of courts to sever birth parent relationships; and the number of failed adoptions we are now serving, convince us that adoption must be a carefully selective process based upon individual human needs, not economic inducements from the government.

Sincerely,

John M. Gantt
Executive Director

Senator **Armstrong**. Let me also say, Mr. Gantt, without wanting to argue it at this point that I'm not sure you understand entirely the intent of the administration's proposal. It may be that your estimate of its probable effect is completely correct. I'm not sure it is, but it may be.

But I think you do misunderstand the intent. And at another time, I would be glad to chat with you about it, or perhaps more appropriately the drafters of the legislation and those who conceived it would like to chat with you because I think you really don't understand what they are trying to get at.

In any case, I'm grateful to the panel. We thank you for coming.

Senator **Moynihan**. Mr. Chairman, may I ask just one more question?

Senator **Armstrong**. Oh, sure, Go right ahead.

Senator **Moynihan**. I just join in——

Senator **Armstrong**. No more about Fort Wayne, please.

Senator **Moynihan**. No more about Fort Wayne. [Laughter.]

Senator **Armstrong**. I'll stipulate that it's a nice place.

Senator **Moynihan**. I think we can get some legislation here if we talk to each other and find out where we agree.

I want to share something with the panel an experience I had recently. I went back to an old school I once attended in Queens, NY. They had put up a new building and converted the old building into a shelter for street children, the children that were just wandering around the streets of New York.

And there was a priest there by the name of Harvey and he had linked up with florists. The florist industry is one of the big industries in Manhattan. And he got these children that came in in all conditions—sexual abuse was the most common; reading, average reading skill for the third grade maybe. But he got them into the business of just wiring up flowers and making up bouquets and wreaths, things like that. And then found florists around the city who would take these young people in and give them jobs.

Everything works pretty well until they turn 18—they learn this and they have a job and they can support themselves. And then they turn 18 and what do you do? They have to leave the program. They can't go home. And they aren't adults. And somehow we have to provide some extension here, don't we?

Mr. **Liederman**. You are right on the money. The kids between 18 and 21 are the most vulnerable population.

Senator **Moynihan**. Didn't you tell me that a New York study found that a significant number of those children ended up on AFDC?

Mr. **Liederman**. No; as showing up in homeless shelters.

Senator **Moynihan**. Well, you said a New York City study found that within 1 year of leaving foster care, a significant percentage of young girls ended up receiving Federal income support through AFDC.

Mr. **Liederman**. Correct.

Senator **Moynihan**. Which means they had an illegitimate child, right?

Mr. **Liederman**. Right.

Senator **Moynihan**. And some social institutions we haven't yet figured out.

Mr. **Liederman**. How about we put some of that money into that group?

Senator **Moynihan**. Pardon?

Mr. **Liederman**. How about we put some of the money that we would spend on a bonus into that 18-to-21 group?

Senator **Moynihan**. Make them eligible longer.

Mr. **Liederman**. Prepare them for independent living.

Senator **Moynihan**. Mr. Chairman, I just think that it is a reality and our panel seems to agree. Mr. Morrison, would you have the same sense of this as a problem?

Mr. **Morrison**. Well, I think it's a major problem in many of the homes that we have across the country. There are members of our organization that run transitional programs with charitable funds. As children age out, many of whom are not under AFDC anyway—they have cottages in which they can live, they can work and they are supported, or where they attend a local college. That program expands with charitable funds, if—in places like New York where we have had major problems for years, I think that is part of the answer.

Senator **Moynihan**. Well, I would just say, Mr. Chairman, if you have a situation where a significant number of persons are on AFDC a year after they leave foster care, we have a serious crisis. Mr. Liederman, you can send that study to us.

Mr. **Liederman**. Yes.

Senator **Moynihan**. Some portion of 18 years trying to look after a person and then they turn 18 and by 19½ they are on AFDC. Well, that is a definition of failure. That's an intergenerational situation right there. After 18 years of effort, 18 months and it's all shot.

Senator **Armstrong**. Well, I'm reluctant to cut this off, but the reality is that if we don't, we are not going to finish.

I thank you, panelists.

I would like to now call the panel consisting of Mr. Thomas Blatner, director of the division of youth and family services management team, New Jersey Department of Human Services; Susanne Turner, who is director of the division of family services, State of Missouri; and Eric Brettschneider, deputy administrator, special services for children, human resources administration, New York.

Panelists, with the apology that I have given to others, our time is short and the issue is important, but we will ask you to be as brief as you possibly can.

May I call first on Mr. Blatner.

STATEMENT OF THOMAS BLATNER, DIRECTOR, DIVISION OF YOUTH AND FAMILY SERVICES MANAGEMENT TEAM, NEW JERSEY DEPARTMENT OF HUMAN SERVICES, TRENTON, NJ

Mr. **Blatner**. Yes. Thank you very much for the opportunity to testify.

Before I get into my formal testimony, as my informal testimony, I would like to make several comments regarding what Senator Moynihan said about the mental health system. I left my home State of New York in 1972 because of the policy of deinstitutionalization which was aimed at emptying institutions as opposed to helping people. And I think that there is a very strong lesson to be learned from that experience and what we are talking about today.

Second, in terms of your recent lectures and thinking on the status of families, our junior league and Association for Children of New Jersey have recently completed a study of the status of children in New Jersey, which you might want to take a look at, which very much confirms your notion that we have to take a broad look at this social problem. And looking at any one piece of the system will simply not do the job.

I think we are definitely in a crisis situation. Just in the last 2 years in New Jersey we have seen the reporting of child abuse increase 120 percent, from 20,000 reports to 45,000 reports. Our case load has gone from 29,000 children under the supervision of our child welfare agency, which I am responsible for, to over 47,000. Our foster care caseload is going up. We have taken a position to err on the side of the safety of the children. We are very interested in permanency planning, but we in child welfare have a very difficult situation.

We want to break a tradition today that sees one State with 7 percent of the Nation's children eligible to receive 70 times more Federal aid for foster care than a State with 3 percent of the Nation's children—New Jersey.

We want to break a tradition that provides incentives to States to reduce the number of children in long-term foster care, but offers no help for foster children who need specialized services like independent living arrangements, transitional programs, or long-term foster care.

We want to break a tradition of Federal adoption subsidies based upon a child's past status as a public welfare recipient rather than removing the roadblocks to a permanent home for all children. And we want to break a tradition that sees the Federal Government hinder States' efforts to prevent the abuse and neglect of our children by not appropriating the authorized level of title IV-B funds.

Before I finish, I will present our ideas on how we can do this. But while New Jersey realizes there is much to change, we also realize that there is much in the past to save.

The Adoption Assistance and Child Welfare Act of 1980 was set up to turn around Federal financial incentives from supporting out-of-home care to preventing the need for placement. States were asked to reduce the length of stay to encourage permanent solutions like adoption and to monitor the progress of each child.

New Jersey has had a long standing commitment to these goals which were established prior to the legislation, and we stand by those commitments.

Since 1980, New Jersey has strengthened our commitment even further. The average length of stay in foster care dropped from 3½ years in 1980 to 1½ years in December 1983 until the major increase in child abuse occurred and now we are going up again.

Case management systems with time limited goals have been put in place. And county based child placement review boards monitor the care of children in our system.

So while New Jersey seeks to maintain the tradition of the legislation, we also seek to alter its dynamics. We think that it's very important that a Federal-State-local partnership, based upon a family preservation policy, be adopted to turn around the tide of history. We've adopted a policy in New Jersey that is certainly based upon prevention, community partnerships, time limited case goals, but we have also recognized that unless we deal with social neglect, all these tickerings with the system will not do much good.

Specifically, our first recommendation is to fully fund prevention services under title IV–E. Prevention spending must be brought up to authorized levels if we are to meet the challenge of the awful specter of child abuse.

Second, the funding formula for title IV–E foster funds is inequitable. At present, States with histories of large claims are rewarded for their largess while cost-conscientious States have been penalized.

Let me show you an example. Should a ceiling be triggered in the fiscal year 1985, hypothetically New Jersey with 3 percent of the Nation's children would be eligible for $3 million. Colorado, with 1.3 percent of the Nation's children would be eligible for $2.6 million. But New York, with 7 percent of the Nation's children, would be eligible for $228 million of the total $543 million available nationwide. California, with 10 percent of the Nation's children, would be eligible for $110 million. These two States, representing 17 percent of the Nation's children, would receive a full $338 million, almost $2 out of every $3 potentially available.

We feel there is a more equitable way. We feel that a child in need should receive equal help regardless of where he or she may live, and we feel that those of us trying to help neglected, abandoned, or orphaned children at the State and local levels deserve a fair deal from the Government. We should have no cap without full funding.

New Jersey suggests the present and proposed formula for determining state allotments be changed in favor of one which fairly distributes funds to States based upon their proportion of the Nation's population under 18, or some other equitable solution. Under this fair funding formula, 40 States would receive more; those who would not receive more, we feel that they should not be penalized, and we suggest a form of transitional phase-in or even a hold harmless provision. We are not out to hurt anybody.

Social service block grants and IV–B funds are both allocated in this fashion.

There are other recommendations in my written testimony. But some of the ones that I want to support are Senator Moynihan's proposal regarding the aging out from services. We started to collect some data in New Jersey and it has been very successful. We have to find ways for transitional living and independent living alternatives for older kids. And, finally, providing subsidy for all hard to place children for adoption; not just those who have a background of public welfare.

Thank you very much.

Senator ARMSTRONG. Thank you, Mr. Blatner.

[The prepared written statement of Mr. Blanter follows:]

State of New Jersey
DEPARTMENT OF HUMAN SERVICES
CAPITAL PLACE ONE
222 SOUTH WARREN STREET
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GEORGE J. ALBANESE
Commissioner

THOMAS BLATNER, DIRECTOR

DIVISION OF YOUTH AND FAMILY SERVICES MANAGEMENT TEAM

NEW JERSEY DEPARTMENT OF HUMAN SERVICES

BEFORE THE

SUBCOMMITTEE ON SOCIAL SECURITY AND INCOME MAINTENANCE

COMMITTEE ON FINANCE

UNITED STATES SENATE

REGARDING

FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM

June 24, 1985

TESTIMONY BEFORE THE UNITED STATES SENATE
FINANCE COMMITTEE, June 24, 1985

I want to thank you on behalf of the State of New Jersey for affording me the opportunity to testify at these hearings on the Adoption Assistance and Child Welfare Act of 1980.

New Jersey has a long-standing commitment to its children: to protect them from harm or threats of harm by the provision of services in their own homes, or when necessary, in foster care; to ensure permanency by preserving and strengthening families or by subsidizing adoption of those with special needs; and to reduce the incidence of child abuse and family breakup by the provision of preventive services.

Although the Adoption Assistance and Child Welfare Act of 1980 was intended to encourage all the states to adopt the good practice requirements which New Jersey and others had implemented years ago, other aspects of the Act, especially as they relate to funding and interstate relations should be reviewed and addressed by Congress.

We are here today to provide the subcommittee with New Jersey's perspective on the Act in three ways:

First, we will outline what we saw, and still see as the goals and promises of the Act, and our assessment of the achievement of these goals and the fulfillment of these promises; second, we will comment on the amendments proposed by the Administration as embodied in Senator Armstrong's bill, and those proposed by others, as contained in Senator Moynihan's amendatory legislation; and finally, we will recommend some basic changes in the law which we believe will move towards fulfillment of the national commitment made by the framers and supporters of the Adoption Assistance and Child Welfare Act.

Prior to 1980, federal funding of foster care and child welfare services came through Titles IV-A and IV-B, respectively. Federal funds were made available on a matching basis as part of the AFDC entitlement program, to meet the placement costs of eligible children from public assistance households who were judicially removed from their own homes and into foster care. Limited federal funds were also made available to each state for child welfare services to provide for protection, prevention, and permanency for all its children, regardless of AFDC eligibility. The states' IV-B plans were federally approved, and funds were (and still are) apportioned equitably on the basis of each state's share of our nation's under 21 population. Although $266 million was authorized as the annual national allocation, no more than $56 million was ever appropriated until 1980, while the AFDC-foster care program remained an open-ended, entitlement program whose costs grew and grew since then.

The Adoption Assistance and Child Welfare Act of 1980 was intended to change this: to turn around federal financial incentives from supporting out-of-home foster care, and to encourage states to prevent placements through the provision of in-home services; to reduce the length of otherwise necessary placements by requiring planning and periodic review for each child; and to encourage permanency by adding a new program of federal financial participation in certain adoption subsidy payments. Title IV-B appropriations were to increase, in steps, from $56 million in 1979 to $266 million in 1983. Title IV-E allocations were to be capped at a national ceiling of less than $390 million in 1981, with provision for up to a 10% inflationary growth each year thereafter. States were to be encouraged to implement a comprehensive set of services, procedures and safeguards as quickly as possible through financial incentives under section 427 of the Act. Most importantly, funds not utilized for foster care maintenance under an individual state's Title IV-E ceiling could be transferred and utilized under the state's Title IV-B prevention, protection and permanency programs to effectuate and maintain the turnaround. These then were, and are, the Act's goals and promises as we see them.

A whole set of complicated, inter-related formulae and options were built in to determine individual state ceilings or caps on IV-E expenditures; provision was made for monitoring various incentives and temporary alternatives; and other special, retroactive and conforming amendments were added to the end of the bill. And when the smoke cleared in 1981, we found an increase in our IV-B appropriation commensurate with that received by every other state, and a modest additional financial incentive under section 427 because of requisite safeguards being in place. However, for a state with over 3% of our nation's children, New Jersey had a IV-E cap of only 3/4 of 1% of the national ceiling.

Colorado, with 1.3% of our nation's children had a cap of less than 1% of the $387 million national ceiling. New York, with approximately 7% of our nation's children, had a IV-E cap of $161 million, or more than 40% of the national ceiling. Of the $79 million nationally transferred to IV-B that year, New Jersey transferred $1.4 million, Colorado transferred $1 million and New York transferred over $61 million.

Title IV-B has not been funded at its statutory level since 1981, with the states thereby encouraged to claim more and more under the IV-E foster care program, contrary to the real intent of the Act. While good practices and safeguards were, in fact, adopted and refined by more and more states, and we and others took advantage of voluntary ceiling provisions to maximize federal funding, we feel that actual implementation of P.L. 96-272 fell short of achieving its goals.

The adoption assistance portion of the law is another example of a goal whose realization has been inhibited from the beginning. Although the very title of the Act implies that adoption assistance is an equal partner with child welfare under the law, less than $500,000 was claimed nationally in total under this part in 1981, with $3.4 million claimed in 1982 and $5 million in 1983. While funding for adoption assistance should have doubled in 1984 and doubled again in 1985, it still only represents a small fraction of the $485 million in 1985 commitment to the "untitled" foster care program under the Act.

Almost all of the states had adoption subsidy programs long before 1980. For example, more than 2000 children have been adopted under New Jersey's state-funded program over the last 10 years. However, many special needs children do not come from AFDC households. We suggest that the current federal requirement for this assistance, which is based on and linked with a child's previous eligibility for public assistance, be recognized for what it is: an unfair application of a former status to a current need. What the federal government must come to realize is that a child's former parents' financial status bears little relation to the need for a subsidy in an adoptive home. The granting of a subsidy should be based on the need to effectuate an adoptive placement and not the child's former status as a recipient of public welfare.

We believe the Act can be recast, using the same basic mold, in such a way as to enable more to be done within responsible, affordable parameters. The Administration's proposal, as introduced by Senator Armstrong, is supposed to be designed to "give States needed flexibility to meet the needs of their foster care and child welfare programs and at the same time encourage efficient use of every Federal dollar". Our section by section review of the bill reveals it contains some of each.

The provision for bonuses for reducing the numbers of children in long-term care apparently comes as a recognition that by and large, states have reduced the number of unnecessary short-term placements by utilizing preventive services and in-home or respite care alternatives, and that those children in long-term placements for whom adoption or return home were readily identifiable and achievable, have been adopted or returned home. However, there are children in long-term care for whom these goals may not be achievable. Therefore it is highly unlikely that most states can reduce by more than 3% annually, their long-term foster care population through traditional means. Some alternatives, including transitional programs such as group or independent living, need to be more fully developed to give these youngsters a chance. Other kinds of financial bonuses or grants to states to develop innovative alternatives would, in our view, be money well spent.

The provision to reduce the amount of the IV-B appropriation which triggers a mandatory IV-E ceiling, from $266 million to $200 million, represents the breaking of a basic promise of the Act and therefore is one which we cannot support. A national IV-E foster care ceiling was premised upon adequate funding for services, and the flexibility to transfer resources from out-of-home programs to those which maintain and strengthen families. In light of the new national awareness of the problem of child abuse, and the impact of increased reporting on the states, this is precisely the time when the full IV-B funding promise should be kept.

We fully recognize the need to address the federal budget deficit, and therefore support that section of the bill which reduces the annual IV-E ceiling growth rate to the Consumer Price Index. However, if the C.P.I. is higher than 5%, it should govern since this is the increase foster parents will need for the food and shelter they provide.

We also recognize that moving the base year from 1978 to 1984 would reduce the current national hypothetical ceiling by over $58 million, and move towards a more realistic distribution of funds within that ceiling. Nevertheless, we believe that individual state ceilings, or caps, should not be based on past claiming practices and accounting acumen, but on equity, if the spirit of the Act is to be fulfilled.

We support the proposed amendment which provides that IV-E adoption assistance children would be Medicaid-eligible in the states in which they reside, regardless of where the adoption assistance agreement was made. We applaud the recognition that enactment of changes by one legislature, the Congress, is more appropriate in this area than to have 57 state and territorial legislatures enact "compacts". One of our concerns, however, is that services covered under Medicaid vary significantly from state to state and we suggest that there be some mechanism for making covered services more uniform. Another issue is imbalance between "sending" states and "receiving" states. One option could be the establishment of a central clearinghouse to sort out the various claims and ensure that sending states are charged and receiving states are reimbursed for Medicaid costs incurred under subsidy agreements.

The very same problem, that is, the difficulty of getting another state's doctors to accept a New Jersey Medicaid card for a IV-E adoption subsidy child, applies to IV-E foster care cases involving out-of-state placements, and even to non-IVE, Title XIX eligible out-of-state placements. Perhaps the answer lies in a uniform Medicaid program for all children in out-of-home care, regardless of state of residence.

We likewise support the permanent extension of authority to fund voluntary foster care placements, but cannot support the one year limit on submission of prior year claims. Unless requirements are significantly and substantially simplified, the complexities of eligibility determinations and redeterminations, rate-setting, random moment studies and provisions governing administrative costs require up to two years to calculate and catch up on claims.

Like the Administration's proposal, Senator Moynihan's bill focuses on several areas which, through time and practice, have evidenced a need to be addressed. Both bills, for example, are aligned in the areas of Medicaid coverage prior to adoption finalization. However, they differ in their addition of flexible or innovative alternatives. The stated goal of Senator Moynihan's bill is to assure that the foster care and adoption assistance programs "will more realistically and effectively meet the needs of the children involved ...." Certainly this, too, is in keeping with the philosophy of the Adoption Assistance and Child Welfare Act of 1980. To accomplish this, the bill proposes to provide for post-adoptive counseling; transitional, independent living programs for older foster children; mandatory training for foster parents and staff members in child caring institutions; and extension of the IV-E eligibility age to 21. The need for many of these services and programs has been recognized and addressed by New Jersey.

We are aware of the "aging out" problem encountered by our older adolescents in foster care when they approach the age of majority, and we are aware of the post-adoptive problems encountered by special needs adoptees. New Jersey would welcome the opportunity to enhance and expand services in these areas, and we believe this can be done in concert with the Administration's desire to control growth of the federal budget and the federal deficit by promoting equitable allocation of funds.

But while this bill would provide for many needed services through a fully funded Title IV-B/IV-E program, it also introduces an administrative burden for the states for which it provides no additional funding. As in the past, it has again been stated that there is insufficient information available on foster care programs. Therefore, what we understand is being proposed is a national biennial reporting requirement, compliance with which could greatly increase administrative costs.

The bill fails to take into account the fact that each state has its own automated information system, which is unlikely to be compatible with those of other states. To convert all of the various systems to one uniform system would be financially unrealistic without federal assistance to cover the cost of necessary hardware and software. Under the capped Act, if this provision is deemed necessary, there should be direct federal assistance to the states for such purposes on a 90%-10% basis. States' funds for service programs under the Act should not have to be diverted for such administrative costs.

New Jersey's presence here today represents our acceptance of Senator Armstrong's invitation "to work with all who are interested in this legislation" and of his encouragement for "comments and other suggested reforms to improve these programs". In that vein, we suggest that needed flexibility and effective use of federal dollars can only be accomplished by considering Title IV-B and Title IV-E funding as the Act was supposed to have considered them: two sides of one coin; complementary aspects of one child welfare program to protect and nurture our most valuable and vulnerable resource, our children. In order to do this, the present and the proposed formulae for determining states allotments under a Title IV-E ceiling must be rejected, in favor of one which equitably distributes available funds to each state based upon its portion of the nation's under age 18 population. Only then can each state choose to use its share of IV-E funds either for administrative costs and costly out-of-home programs, or to direct these resources towards preventive and protective services involving innovative alternatives as well as tried and tested education and early intervention techniques which can reduce the need for such out-of-home programs.

In New Jersey, over the last year, the number of child abuse allegations has nearly doubled, to over 45,000 complaints in the most recent 12 month period. In response, we are adding an unprecedented 507 direct service positions to our state child welfare/child protective services agency. The availability of an equitable share of the proposed appropriation of $485 million in IV-E funds, transferable to IV-B programs, as needed, would enable us to meet the programmatic requirements of these newly identified children in trouble. Based upon available information, at least 39 other states including Arkansas, Minnesota, Montana and Oklahoma, would gain from such a redistribution, as well. For example, Colorado would be eligible for almost $6.4 million, or almost $4 million more than its 1984 claim. Illinois would be eligible for $24 million or almost $18 million more than it received in 1984. Georgia would get over $5 million more, North Carolina, almost $10 million, Ohio $17 million and Texas, almost $25 million.

Of course, this means that up to 10 states would receive less, some considerably less, than they claimed in 1984. New York, California, Michigan and Oregon for example, would suffer reductions of from $2 million to over $100 million since they had been claiming more than their population-based share in 1984, and in previous years as well. We have enclosed two charts which represent our calculations of the impact of an equity based IV-E formula: one using the maximum FY'85 hypothetical allotments, as published by Health and Human Services; and the other using actual claims information provided by HHS to the National Council of State Human Services Administrators. In recognition of this negative impact on those states which have come to rely on this extra funding, we suggest some form of transitional phase-in, or even consideration of some form of hold-harmless provision. However, both within our state, and in our national programs such as the Social Services Block Grant and Title IV-B itself, we have come to believe that the distribution of available dollars must be on a rational basis, and that each jurisdiction's populace must be a significant factor in formulating allocations.

We hope that this time, each and all of our nation's children can be treated as equal beneficiaries under the Adoption Assistance and Child Welfare Act.

FFY '85 TITLE IV-E ALLOCATION ANALYSIS

June 7, 1985 Printout: The first column represents Option B under P.L. 96-272 for all states.

The second column converts that figure to a percentage.

The third column applies that percentage to the proposed $485 million allocation.

The fourth column represents the maximum hypothetical allotment (either Option A or B, whichever is higher) which would apply if the full Title IV-B allocation is appropriated or if states voluntarily chose a ceiling to effectuate the transfer provision.

The fifth column represents the difference between columns three and four showing that more states would be eligible for more funds per state if an equity based (Option B percentage) formula is applied to the proposed appropriation. (Forty-three states gain, eight states would receive less, unless held harmless).

June 11, 1985 Printout: The first column represents Option B under P.L. 96-272 for all states.

The second column converts that figure to a percentage.

The third column applies that percentage to the proposed $485 million allocation.

The fourth column represents each state's actual federal fiscal year 1984 claims (including retroactive claims submitted for FFY '84), rounded off, as provided by the Federal Department of Health and Human Services. It should be noted that FFY '85 claims for the District of Columbia and some of the states are substantially out of line with past figures. These numbers may represent adjustments relative to years prior to 1984 or other aberrations.

The fifth column represents the difference between columns three and four, again showing that more states would be eligible for more funds per state if an equity based formula is applied to the proposed appropriation. (Forty states gain, eleven would receive less, unless held harmless).

07-Jun-85

FY85 TITLE-IVE ALLOCATION ANALYSIS

STATE	(MIN) IVE OPTION B ALLOTMENT	MIN IVE OPTION B %	MIN % IVE ALLOC	MAX FY85 FOSTER CARE ALLOTMENT (HYPOTHETICAL)	UNDER (OVER) VARIANCE
Alabama	$1,800,366	0.01800	$8,731,775	$2,612,109	$6,119,666
Alaska	224,647	0.00225	1,089,538	286,971	802,567
Arizona	1,292,121	0.01292	6,266,787	1,367,066	4,899,721
Arkansas	1,034,016	0.01034	5,014,978	1,041,650	3,973,328
California	10,330,598	0.10331	50,103,400	109,578,823	(59,475,423)
Colorado	1,314,427	0.01314	6,374,971	2,620,834	3,754,137
Connecticut	1,249,104	0.01249	6,058,154	3,138,525	2,919,629
Delaware	253,326	0.00253	1,228,631	862,082	366,549
Dist. Of Col.	219,868	0.00220	1,066,360	911,898	154,462
Florida	3,868,398	0.03868	18,761,730	4,005,487	14,756,243
Georgia	2,593,802	0.02594	12,579,940	4,409,064	8,170,876
Hawaii	442,922	0.00443	2,148,172	457,816	1,690,356
Idaho	493,906	0.00494	2,395,444	561,727	1,833,717
Illinois	4,999,602	0.05000	24,248,070	4,929,094	19,318,976
Indiana	2,461,563	0.02462	11,938,581	2,759,459	9,179,122
Iowa	1,269,816	0.01270	6,158,608	2,329,436	3,829,172
Kansas	1,030,829	0.01031	4,999,521	5,015,155	(15,634)
Kentucky	1,660,161	0.01660	8,051,781	3,768,476	4,283,305
Louisiana	2,139,728	0.02140	10,377,681	5,265,768	5,111,913
Maine	492,313	0.00492	2,387,718	3,392,596	(1,004,878)
Maryland	1,771,688	0.01772	8,592,687	6,122,351	2,470,336
Massachusetts	2,254,441	0.02254	10,934,039	5,288,786	5,645,253
Michigan	4,108,978	0.04109	19,928,543	30,832,552	(10,904,009)
Minnesota	1,816,299	0.01816	8,809,050	6,455,871	2,353,179
Mississippi	1,273,002	0.01273	6,174,060	1,609,683	4,564,377
Missouri	2,106,269	0.02106	10,215,405	3,677,536	6,537,869
Montana	368,040	0.00368	1,784,994	1,106,860	678,134
Nebraska	702,621	0.00703	3,407,712	1,372,249	2,035,463
Nevada	366,446	0.00366	1,777,263	562,857	1,214,406
New Hampshire	404,684	0.00405	1,962,717	1,004,812	957,905
New Jersey	3,035,131	0.03035	14,720,385	2,957,457	11,762,928
New Mexico	672,349	0.00672	3,260,893	695,497	2,565,396
New York	7,180,755	0.07181	34,826,662	228,081,790	(193,255,128)
North Carolina	2,574,683	0.02575	12,487,2[illegible]3	2,553,877	9,933,336

07-Jun-85

FY85 TITLE-IVE ALLOCATION ANALYSIS

STATE	(MIN) IVE OPTION B ALLOTMENT	MIN IVE OPTION B %	MIN % IVE ALLOC	MAX FY85 FOSTER CARE ALLOTMENT (HYPOTHETICAL)	UNDER (OVER) VARIANCE
North Dakota	307,496	0.00307	1,491,356	830,206	661,150
Ohio	4,736,716	0.04737	22,973,073	5,227,802	17,745,271
Oklahoma	1,403,649	0.01404	6,807,698	1,469,157	5,338,541
Oregon	1,132,797	0.01133	5,494,065	9,457,868	(3,963,803)
Pennsylvania	4,763,801	0.04764	23,104,435	33,322,618	(10,218,183)
Rhode Island	372,819	0.00373	1,808,172	360,510	1,447,662
South Carolina	1,473,751	0.01474	7,147,692	1,478,728	5,668,964
South Dakota	318,649	0.00319	1,545,448	702,310	843,138
Tennessee	2,007,488	0.02007	9,736,317	4,054,143	5,682,174
Texas	7,215,805	0.07216	34,996,654	7,522,851	27,473,803
Utah	922,489	0.00922	4,474,072	996,985	3,477,087
Vermont	223,054	0.00223	1,081,812	1,268,321	(186,509)
Virginia	2,291,086	0.02291	11,111,767	5,462,764	5,649,003
Washington	1,817,892	0.01818	8,816,776	5,356,815	3,459,961
West Virginia	863,539	0.00864	4,188,164	1,411,660	2,776,504
Wisconsin	2,095,117	0.02095	10,161,317	11,869,988	(1,708,671)
Wyoming	246,953	0.00247	1,197,722	255,228	942,494
TOTALS:	$100,000,000	100%	$485,000,000	$542,715,373	($57,684,168)

11-Jun-85

FY85 TITLE-IVE ALLOCATION ANALYSIS

STATE	(MIN) IVE OPTION B ALLOTMENT	MIN IVE OPTION B %	EQUITABLE IVE ALLOC	FFY 84 CLAIMS*	UNDER (OVER) VARIANCE
Alabama	$1,800,366	0.01800	8,731,775	$2,200,000	$6,531,775
Alaska	224,647	0.00225	1,089,538	80,000	1,009,538
Arizona	1,292,121	0.01292	6,266,787	2,100,000	4,166,787
Arkansas	1,034,016	0.01034	5,014,978	550,000	4,464,978
California	10,330,598	0.10331	50,103,400	104,180,000	(54,076,600)
Colorado	1,314,427	0.01314	6,374,971	2,450,000	3,924,971
Connecticut	1,249,104	0.01249	6,058,154	2,930,000	3,128,154
Delaware	253,326	0.00253	1,228,631	550,000	678,631
Dist. Of Col.	219,868	0.00220	1,066,360	7,150,000	(6,083,640)
Florida	3,868,398	0.03868	18,761,730	3,670,000	15,091,730
Georgia	2,593,802	0.02594	12,579,940	7,370,000	5,209,940
Hawaii	442,922	0.00443	2,148,172	40,000	2,108,172
Idaho	493,906	0.00494	2,395,444	480,000	1,915,444
Illinois	4,999,602	0.05000	24,248,070	6,300,000	17,948,070
Indiana	2,461,563	0.02462	11,938,581	2,660,000	9,278,581
Iowa	1,269,816	0.01270	6,158,608	2,210,000	3,948,608
Kansas	1,030,829	0.01031	4,999,521	4,420,000	579,521
Kentucky	1,660,161	0.01660	8,051,781	3,190,000	4,861,781
Louisiana	2,139,728	0.02140	10,377,681	10,510,000	(132,319)
Maine	492,313	0.00492	2,387,718	2,970,000	(582,282)
Maryland	1,771,688	0.01772	8,592,687	4,670,000	3,922,687
Massachusetts	2,254,441	0.02254	10,934,039	5,090,000	5,844,039
Michigan	4,108,978	0.04109	19,928,543	33,330,000	(13,401,457)
Minnesota	1,816,299	0.01816	8,809,050	6,370,000	2,439,050
Mississippi	1,273,002	0.01273	6,174,060	1,310,000	4,864,060
Missouri	2,106,269	0.02106	10,215,405	8,970,000	1,245,405
Montana	368,040	0.00368	1,784,994	1,530,000	254,994
Nebraska	702,621	0.00703	3,407,712	2,290,000	1,117,712
Nevada	366,446	0.00366	1,777,263	360,000	1,417,263
New Hampshire	404,684	0.00405	1,962,717	1,210,000	752,717
New Jersey	3,035,131	0.03035	14,720,385	6,470,000	8,250,385
New Mexico	672,349	0.00672	3,260,893	630,000	2,630,893
New York	7,180,755	0.07181	34,826,662	134,930,000	(100,103,338)
North Carolina	2,574,683	0.02575	12,487,213	2,620,000	9,867,213

STATE	(MIN) IVE OPTION B ALLOTMENT	MIN IVE OPTION B %	EQUITABLE IVE ALLOC	FFY 84 CLAIMS*	UNDER (OVER) VARIANCE
North Dakota	307,496	0.00307	1,491,356	790,000	701,356
Ohio	4,736,716	0.04737	22,973,073	5,800,000	17,173,073
Oklahoma	1,403,649	0.01404	6,807,698	3,680,000	3,127,698
Oregon	1,132,797	0.01133	5,494,065	7,490,000	(1,995,935)
Pennsylvania	4,763,801	0.04764	23,104,435	33,920,000	(10,815,565)
Rhode Island	372,819	0.00373	1,808,172	1,240,000	568,172
South Carolina	1,473,751	0.01474	7,147,692	1,340,000	5,807,692
South Dakota	318,649	0.00319	1,545,448	620,000	925,448
Tennessee	2,007,488	0.02007	9,736,317	3,430,000	6,306,317
Texas	7,215,805	0.07216	34,996,654	10,180,000	24,816,654
Utah	922,489	0.00922	4,474,072	920,000	3,554,072
Vermont	223,054	0.00223	1,081,812	1,430,000	(348,188)
Virginia	2,291,086	0.02291	11,111,767	5,080,000	6,031,767
Washington	1,817,892	0.01818	8,816,776	5,990,000	2,826,776
West Virginia	863,539	0.00864	4,188,164	5,330,000	(1,141,836)
Wisconsin	2,095,117	0.02095	10,161,317	10,570,000	(408,683)
Wyoming	246,953	0.00247	1,197,722	240,000	957,722
TOTALS:	$100,000,000	100%	$485,000,000	$473,871,209	$11,160,000

* REPRESENTS CLAIMS THROUGH MARCH 31, 1985

Senator ARMSTRONG. Ms. Turner.

STATEMENT OF MS. SUSAN TURNER, DIRECTOR, DIVISION OF FAMILY SERVICES, STATE OF MISSOURI

Ms. TURNER. Good afternoon, Mr. Chairman and Senator Moynihan. I am Susan Turner, the director of the division of family services in the State of Missouri.

Today, I am representing the National Council of State Human Service Administrators. The council is a component of the American Public Welfare Association. Over 5 years ago, the council worked very closely with this committee toward the enactment of Public Law 96-272. We are very appreciative of your willingness to review the implementation to date and to afford us the opportunity to present some recommendations for changes.

My formal written testimony addresses several issues in detail, including a response to Senate bill 1266, introduced by you, Mr. Chairman, and Senate bill 1329, introduced recently by you, Senator Moynihan.

I would like to highlight a few of our concerns and proposals for further consideration. As you have already heard today, to retain the current title IV-E and IV-B funding provisions is vital to caring for children who are unable for some reason to care for themselves or to remain in their own home. We certainly support this measure.

We are also supportive of permanently extending the title IV-E to title IV-B transfer provision, and keeping the title IV-B trigger provision at least a $266 million level.

Of extreme importance to many of us as administrators is the provision in your bill, Mr. Chairman, to provide that title IV-E adoptive children be eligible for Medicaid in the State in which they reside. However, we would like this extended to all title IV-E eligible children.

This is a continuing and frustrating problem that we encounter. It is possible we may have to, in the best interest of some children, place them in a State other than their own, whether it be a foster placement or an adoptive placement. However, when such a child goes for medical services, often we are confronted with a medical provider who will not accept an out-of-State Medicaid card. Therefore, we are very supportive of your provision.

Senator Moynihan's bill provides Medicaid coverage to children during the adoptive placement period. We are supportive also of this provision. Currently, these expenses are being covered either totally with State funds or by the prospective adoptive family and/or the State is having to develop another system, a system of licensing adoptive homes.

Repealing the requirement for 6 month redeterminations would be welcomed, and certainly result in a cost savings to us. The average cost for the twice yearly review is approximately $100 per child. However, the number of ineligibles found is less than 1 percent. More specifically, in Missouri during this past year, after a check of 2,000 cases, which cost us in excess of $100,000, we had only one child found to be ineligible.

We definitely oppose any imposition of mandated Federal reporting requirements. Our workers are already neglecting clients, significantly, due to additional paperwork. Often by the time these reports get from the local level through the system to the Federal Government and are massaged, possibly 1 to 2 years have lapsed and our service delivery situation may be completely different by that time.

The American Public Welfare Association has recently been awarded a contract from HHS to collect and analyze data for a Federal adoption and foster care data gathering and analysis system in compliance with the child abuse amendments of 1984. We do agree that there may be some items of information that Congress desires that are not available through this mechanism, but we believe such unanswered questions can best be dealt with by instructing the Department of Health and Human Services to conduct special studies.

However, if Congress decides to reimpose Federal reporting requirements, we would hope that you would take into consideration the costs that the States will have in meeting these requirements. If, in fact, you impose such requirements, we would ask that funds be available on a 90-10 Federal-State match basis in order to provide the hardware and software necessary to develop that information.

We would recommend that the requirement for a reasonable effort determination by a court be repealed. Federal guidelines already require such documentations by our workers in their case files. Many judges are refusing to accept such responsibility and, as a result, the States' funds are in jeopardy.

We would also recommend that consideration be given to providing some flexibility with the utilization of the title IV-E funds to initiate services that would prevent a child from having to go into foster placement. I believe this has already been pointed out. We in Missouri are receiving an increasing number of children into our foster care program with much more severe problems than in the past, and we would like some relief in terms of the utilization of the title IV-E funds.

At this point I will conclude my testimony, but indicate that the council is very, very interested in working with the committee and your staff in making necessary changes to the act.

Senator ARMSTRONG. Thank you very much.

[The prepared written statement of Mr. O'Hara, which was orally presented by Ms. Turner, follows:]

NATIONAL COUNCIL OF STATE
HUMAN SERVICE ADMINISTRATORS
OF THE AMERICAN PUBLIC WELFARE ASSOCIATION
1125 FIFTEENTH ST., N.W., WASHINGTON, D.C. 20005

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Telephone: (202) 293-7550

TESTIMONY OF

JOSEPH J. O'HARA

DIRECTOR, MISSOURI DEPARTMENT OF SOCIAL SERVICES

AND

PRESIDENT, NATIONAL ASSOCIATION OF PUBLIC CHILD
WELFARE ADMINISTRATORS

FOR THE

SUBCOMMITTEE ON SOCIAL SECURITY
AND INCOME MAINTENANCE PROGRAMS
OF THE
COMMITTEE ON FINANCE
U.S. SENATE

HEARING ON FOSTER CARE AND ADOPTION ASSISTANCE

JUNE 24, 1985

NATIONAL COUNCIL OF STATE
HUMAN SERVICE ADMINISTRATORS
OF THE AMERICAN PUBLIC WELFARE ASSOCIATION
1125 FIFTEENTH ST., N.W., WASHINGTON, D.C. 20005

Suite 300
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SUMMARY
TESTIMONY OF JOSEPH J. O'HARA

The National Council of State Human Service Administrators strongly supports the goals and intent of the Adoption Assistance and Child Welfare Act of 1980 (P.L 96-272). It is our strong support for the law, coupled with our collective experience in administering it for the past five years that brings us to recommend a number of changes in the law. We believe our proposals will foster achievement of the goals of P.L. 96-272, facilitate state and local implementation of the law and optimize the use of federal, state and local funds available for serving dependent and neglected children.

- Retain current Title IV-E and Title IV-B funding provisions.
- Permanently extend Section 102 (a)(1) which authorizes, through Title IV-E, federal financial participation for children placed voluntarily in foster care.
- Permanently extend Title IV-E to Title IV-B transfer provision.
- Delete requirement of minimum adoption assistance payment for purposes of Medicaid eligibility.
- Provide that all children receiving Title IV-E are eligible for Medicaid from the state where they reside.
- Provide Medicaid coverage from the time a child is placed for adoption.
- Repeal the requirement for six month redeterminations of eligibility for Title IV-E foster care.
- Repeal the requirement that, for each child's Title IV-E eligibility, a court must determine that reasonable efforts were made to prevent placement.
- Retain two year limit on state submission of prior year claims.
- Oppose imposition of mandated federal reporting requirements.
- Modify Title IV-E to make it more flexible.
- Modify and expand current Title IV-E reimbursement policies.
- Expand Title IV-E administrative reimbursement policy to make it more equitable by covering the costs of serving non-Title IV-E eligible children.
- Expand Title IV-E adoption assistance to all special needs children in the care and custody of the state.
- Expand Title IV-E adoption assistance to cover the costs of adoption counseling services.

*** *** ***

Good afternoon, Mr. Chairman, members of the committee. My name is Joseph O'Hara and I am Director of the Missouri Department of Social Services. I am also President of the National Association of Public Child Welfare Administrators, an affiliate of the American Public Welfare Association. I appreciate the opportunity to testify before you today on behalf of the National Council of State Human Service Administrators, a component of the American Public Welfare Association.

The National Council of State Human Service Administrators is composed of those officials in the 50 states, the District of Columbia, and the U.S. territories charged with the responsibility of administering publically funded human services, including the child welfare, foster care, and adoption assistance programs. Over 5 years ago the Council worked closely with this committee in the effort that resulted in the enactment of P.L. 96-272. As the principle operators of the foster care system, we were very aware of the problems plaguing the system at that time and thankful for the opportunity to assist the committee in the development of the guiding principles that became the new law.

We continue to strongly support the goals and objectives of P.L. 96-272. The comprehensive, interactive set of administrative procedures and safeguards, as well as services, incorporated in the law have assisted states in reducing the number of children entering foster care, reducing the length of stay in care, and achieving permanent homes for those children unable to return to their own homes. We believe that P.L. 96-272 was landmark legislation for children and their families.

STATE ADMINISTRATORS WE APPLAUD YOUR LEADERSHIP AND THE LEADERSHIP OF THIS COMMITTEE IN ITS WILLINGNESS, 5 YEARS LATER, TO EXAMINE THE EXPERIENCE WITH THE IMPLEMENTATION OF P.L. 96-272 AND TO CONSIDER MODIFICATIONS IN THE LAW BASED ON THIS EXPERIENCE. IT IS OUR STRONG SUPPORT FOR THE LAW, COUPLED WITH OUR COLLECTIVE EXPERIENCE IN ADMINISTERING IT FOR THE PAST SEVERAL YEARS, THAT BRINGS US TO RECOMMEND A NUMBER OF CHANGES IN IT. WE BELIEVE OUR PROPOSALS WILL FOSTER ACHIEVEMENT OF THE GOALS OF P.L. 96-272, FACILITATE STATE AND LOCAL IMPLEMENTATION OF THE LAW, AND OPTIMIZE THE USE OF FEDERAL, STATE AND LOCAL FUNDS AVAILABLE FOR SERVING DEPENDENT AND NEGLECTED CHILDREN.

IN MY TESTIMONY TODAY, I PROPOSE CHANGES TO P.L. 96-272, AND RESPOND TO CHANGES INCLUDED IN S. 1266 INTRODUCED BY YOU, MR. CHAIRMAN, S. 18 INTRODUCED BY SENATOR MOYNIHAN, AND THE OTHER P.L. 96-272 AMENDMENTS RECENTLY PUT FORWARD BY SENATOR MOYNIHAN. OUR PROPOSALS BASICALLY FALL INTO TWO CATEGORIES: MODIFICATIONS TO CURRENT LAW ENABLING STATES TO BETTER ADMINISTER THE LAW AND ADDITIONAL INCENTIVES FOR STATES TO BETTER MEET THE FOSTER CARE REDUCTION GOALS OF THE LAW.

MODIFICATIONS TO CURRENT LAW

RETAIN CURRENT TITLE IV-E AND TITLE IV-B FUNDING PROVISIONS

STATE ADMINSTRATORS SUPPORT CONTINUATION OF THE TITLE IV-E FOSTER CARE MAINTENANCE PAYMENT PROGRAM AS AN INDIVIDUAL MEANS-TESTED ENTITLEMENT. THE FEDERAL GOVERNMENT HAS A SPECIAL COMMITMENT TO THE LOW-INCOME CHILDREN IN THIS COUNTRY WHO, THROUGH NO FAULT OF THEIR OWN, ARE UNABLE TO REMAIN WITH THEIR FAMILIES. UNDER CURRENT LAW, TITLE IV-E REMAINS AN ENTITLEMENT NATIONALLY UNLESS "SUFFICIENT" DOLLARS ($266 MILLION) ARE PROVIDED THROUGH TITLE IV-B

CHILD WELFARE SERVICES ON AN ADVANCE APPROPRIATION BASIS. THE INTERRELATIONSHIP OF THE FUNDING FOR THESE TWO PROGRAMS--WHERE A TARGET LEVEL OF INCREASED CHILD WELFARE SERVICES FUNDING APPROPRIATED IN THE PRIOR YEAR TRIGGERS A FUNDING CEILING FOR FOSTER CARE--WAS A KEY COMPONENT OF P.L. 96-272.

CONGRESS MADE A COMMITMENT THAT FUNDING FOR FOSTER CARE WOULD REMAIN OPEN-ENDED UNTIL AND UNLESS THERE WERE "SUFFICIENT" FUNDS AVAILABLE TO MEET THE SERVICES NEEDED BY AT-RISK CHILDREN AND THEIR FAMILIES. THAT "SUFFICIENT" LEVEL WAS SET AT $266 MILLION IN 1980 WHEN THE LAW WAS ENACTED. IT WAS ASSUMED THEN THAT THIS LEVEL WOULD BE REACHED IN 1983, BUT TO DATE CONGRESS HAS NEVER APPROPRIATED MORE THAN $200 MILLION.

WE OPPOSE THE PROVISION IN S. 1266 TO REDUCE THE TITLE IV-B TRIGGER LEVEL TO $200 MILLION, ITS CURRENT APPROPRIATION LEVEL. WE BELIEVE THAT WOULD BE TANTAMOUNT TO RENEGING ON A COMMITMENT TO THE CHILDREN OF THIS NATION. IF ANYTHING, THE TRIGGER LEVEL SHOULD BE RAISED TO MORE ACCURATELY REFLECT THE SERVICES AT-RISK CHILDREN AND THOSE IN CARE NEED, AND THE REAL COSTS OF PROVIDING THOSE SERVICES.

WE ALSO OPPOSE REMOVAL OF THE REQUIREMENT THAT IN ORDER FOR A TITLE IV-E CEILING TO BE TRIGGERED, THE TITLE IV-B APPROPRIATION MUST BE MADE ON AN ADVANCE FUNDING BASIS. THE PURPOSE OF THIS REQUIREMENT IS TO GIVE STATES THE ABILITY TO PLAN PROGRAMS BASED ON CERTAIN KNOWLEDGE OF THE AVAILABILITY OF FEDERAL FUNDS. IN ORDER TO EFFECTIVELY ADMINISTER THE FOSTER CARE PROGRAM, STATES MUST BE PROVIDED ADEQUATE ADVANCE WARNING IF A CEILING ON FEDERAL REIMBURSEMENT IS GOING TO BE INSTITUTED.

PERMANENTLY EXTEND SECTION 102 (A)(1) WHICH AUTHORIZES, THROUGH TITLE IV-E, FEDERAL FINANCIAL PARTICIPATION (FFP) FOR CHILDREN PLACED VOLUNTARILY IN FOSTER CARE.

WE SUPPORT THE PROVISION IN THE ARMSTRONG BILL AND THE RECENTLY INTRODUCED MOYNIHAN BILL WHICH WOULD PERMANENTLY EXTEND THE VOLUNTARY PLACEMENT PROVISION OF P.L. 96-272. THIS PROVISION WAS ENACTED ON A TEMPORARY BASIS IN ORDER FOR CONGRESS TO MONITOR ITS IMPACT. WE BELIEVE THAT THE EXPERIENCE WITH VOLUNTARY PLACEMENT AUTHORITY IS SUCH THAT IT SHOULD BE CONTINUED ON A PERMANENT BASIS. FOR A STATE TO CLAIM FEDERAL FUNDS UNDER THIS PROVISION, IT MUST HAVE COMPLIED WITH THE SPECIAL PROTECTION REQUIREMENTS SET OUT IN SECTION 427 OF P.L. 96-272 (AN INVENTORY OF CHILDREN IN FOSTER CARE LONGER THAN SIX MONTHS; A STATEWIDE INFORMATION SYSTEM; A CASE REVIEW SYSTEM AND A PROGRAM OF SERVICES TO ASSIST CHILDREN TO RETURN HOME OR TO BE PLACED PERMANENTLY IN ANOTHER HOME), AND ALSO HAVE IN PLACE A PREPLACEMENT PREVENTIVE SERVICES PROGRAM TO HELP CHILDREN REMAIN WITH THEIR FAMILIES.

IN A SURVEY CONDUCTED JOINTLY LAST SUMMER BY THE NATIONAL ASSOCIATION OF PUBLIC CHILD WELFARE ADMINISTRATORS AND THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS, WE FOUND THAT MOST STATES USE VOLUNTARY PLACEMENT AGREEMENTS VERY INFREQUENTLY AND LIMIT THE TIME OF SUCH AGREEMENTS TO ANYWHERE FROM 30 TO 180 DAYS. MOST STATES USUALLY DECIDE WHETHER OR NOT TO GO TO COURT IN A PARTICULAR CASE BASED ON THE EMERGENCY NATURE OF THE SITUATION AND/OR HOW LONG THE CHILD IS LIKELY TO BE IN FOSTER CARE. IF WORKERS EXPECT A FAMILY CRISIS TO BE RESOLVED WITHIN 30 DAYS, FOR EXAMPLE, THEY MIGHT SUGGEST A VOLUNTARY PLACEMENT AGREEMENT TO SAVE TIME AND TO AVOID THE ADDITIONAL FAMILY TRAUMA OF GOING TO COURT. OTHER STATES USE VOLUNTARY PLACEMENT AGREEMENTS ONLY IN VERY UNUSUAL EMERGENCIES, SUCH AS WHEN A PARENT IS HOSPITALIZED OR A

HOME IS DESTROYED BY FIRE. VOLUNTARY PLACEMENT AGREEMENTS ARE NOT USED IF THERE IS ANY EVIDENCE OF ABUSE OR NEGLECT.

IN FY 1983 13 STATES CLAIMED FEDERAL REIMBURSEMENT FOR CHILDREN PLACED VOLUNTARILY IN FOSTER CARE; IN FY 1984, 15 STATES CLAIMED FEDERAL REIMBURSEMENT. IN OUR SURVEY WE ASKED THOSE STATES THAT USE VOLUNTARY PLACEMENTS WHY THEY HAVE NOT CLAIMED FEDERAL REIMBURSEMENT FOR ELIGIBLE VOLUNTARY PLACEMENTS. THE REASONS CITED INCLUDE:

- THE SMALL NUMBER OF CHILDREN IN VOLUNTARY FOSTER CARE AND/OR THE LIMITED LENGTH OF TIME CHILDREN CAN BE IN VOLUNTARY FOSTER CARE DO NOT MAKE IT COST-BENEFICIAL TO DEVELOP A SYSTEM FOR CLAIMING FFP;
- THE LIMITED NATURE OF THE PROVISION AND UNCERTAINTY OVER CONTINUED ELIGIBILITY HAVE MADE THE STATES WARY OF DEVELOPING A SYSTEM FOR CLAIMING FFP;
- STATE DOES NOT WANT TO ENCOURAGE ADDITIONAL USE OF VOLUNTARY PLACEMENTS BY ALLOWING FFP; AND
- VOLUNTARY PLACEMENTS ARE FINANCED BY LOCAL FUNDS OR THROUGH CHILD SUPPORT PAID BY THE PARENTS.

IN LIGHT OF THIS VARIATION, THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS SUPPORTS THE PERMANENT EXTENSION OF THE TITLE IV-E VOLUNTARY PLACEMENT OPTION.

PERMANENTLY EXTEND TITLE IV-E TO TITLE IV-B TRANSFER PROVISION

WITH RESPECT TO THE PROVISION FOR TRANSFERRING UNUSED TITLE IV-E FOSTER CARE

FUNDS TO TITLE IV-B CHILD WELFARE SERVICES. IN ORDER FOR A STATE TO UTILIZE THIS PROVISION TWO FACTORS MUST BE PRESENT. FIRST, THE TOTAL ALLOWABLE TITLE IV-E FOSTER CARE EXPENDITURES MUST BE LESS THAN THE OPTIONAL TITLE IV-E CEILING ESTABLISHED BY P.L. 96-272. THIS SITUATION IS PRESENT IN STATES EXPERIENCING A DECLINING OR STABLE NUMBER OF INCOME ELIGIBLE CHILDREN ENTERING FOSTER CARE. SINCE TITLE IV-E IS A MEANS-TESTED ENTITLEMENT, NON-INCOME ELIGIBLE CHILDREN ENTERING FOSTER CARE ARE PAID FOR THROUGH STATE AND/OR LOCAL FUNDS. SECOND, A STATE MUST HAVE MET THE ADDITIONAL P.L. 96-272 REQUIREMENTS SET OUT IN SECTION 427 AS DISCUSSED ABOVE.

IN FY 1983, 29 STATES TRANSFERRED FUNDS, WHILE 23 STATES MADE SUCH TRANSFERS IN FY 1984. TWO STATES (CALIFORNIA AND SOUTH DAKOTA) USED THE TRANSFER OPTION FOR THE FIRST TIME IN FY 1984. ELEVEN STATES TRANSFERRED FUNDS IN PRIOR YEARS BUT DID NOT TRANSFER FUNDS IN FY 84 (ALABAMA, ARKANSAS, CONNECTICUT, MINNESOTA, NEW JERSEY, NEW MEXICO, OKLAHOMA, SOUTH CAROLINA, TEXAS, VERMONT, WEST VIRGINIA). OF THE 23 STATES TRANSFERRING FUNDS IN FY 84 ALL BUT FOUR (MISSISSIPPI, NORTH CAROLINA, VIRGINIA AND WASHINGTON) TRANSFERRED LESS IN FY 84 THAN IN FY 83. THE FIGURES ON STATE UTILIZATION OF THE TITLE IV-E TRANSFER PROVISION REFLECT THE SAME TREND THAT APWA'S VOLUNTARY COOPERATIVE INFORMATION SYSTEM SHOWS: THAT STATE FOSTER CARE CASELOADS HAVE STABILIZED AND IN MANY CASES ARE ON THE INCREASE. SOME STATES ARE FINDING THAT THE NUMBER OR PERCENTAGE OF INCOME-ELIGIBLE CHILDREN (I.E., TITLE IV-E CHILDREN) IS INCREASING; THUS, THERE IS LESS MONEY AVAILABLE TO TRANSFER TO TITLE IV-B.

THE ABILITY TO TRANSFER UNUSED TITLE IV-E FUNDS PROVIDES STATES WITH A FINANCIAL REWARD FOR REDUCING FOSTER CARE CASELOADS, WHILE AT THE SAME TIME FREEING UP RESOURCES TO PROVIDE SOME OF THOSE SERVICES THAT ENABLE CHILDREN AND THEIR FAMILIES TO STAY TOGETHER. SENATOR MOYNIHAN'S BILL WOULD CONTINUE

THIS TRANSFER OPTION FOR THREE YEARS. THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS SUPPORTS ITS PERMANENT EXTENSION.

DELETE REQUIREMENT OF MINIMUM ADOPTION ASSISTANCE PAYMENT FOR PURPOSES OF MEDICAID ELIGIBILITY

WE SUPPORT THE PROVISION IN S. 1266, THE ARMSTRONG BILL, THAT WOULD ELIMINATE THE NEED TO MAINTAIN TOKEN ADOPTION ASSISTANCE PAYMENTS, IN CASES WHERE THE ADOPTIVE PARENTS DO NOT NEED OR DO NOT DESIRE CASH ASSISTANCE, IN ORDER TO PRESERVE THE CHILD'S MEDICAID ELIGIBILITY. MANY STATES PAY FAMILIES AS LOW AS $1 PER YEAR TO KEEP THE ADOPTED CHILD ELIGIBLE FOR MEDICAID. ALTHOUGH THIS PROBLEM AFFECTS ONLY A SMALL PORTION OF THE CHILDREN PLACED FOR ADOPTION, WE BELIEVE THE ADMINISTRATIVE COSTS OF GENERATING A VERY SMALL SUBSIDY PAYMENT LEAD TO INEFFICIENCY. KANSAS, FOR EXAMPLE, REPORTS THAT ONE-THIRD OF ITS SUBSIDIZED ADOPTIVE CHILDREN ARE ESSENTIALLY MEDICAL-ONLY, AND IT IS COSTING THE STATE $70 IN ADMINISTRATIVE COSTS TO PAY EACH OF THESE FAMILIES $1 PER MONTH IN CASH ASSISTANCE. MINNESOTA REPORTS THAT IN MORE THAN 50 CASES ADOPTION SUBSIDIES ARE ISSUED IN THE AMOUNT OF $1 PER YEAR. LIKEWISE, LOUISIANA REPORTS THAT IT IS DIFFICULT TO EXPLAIN TO ADOPTIVE PARENTS WHO DO NOT WANT THE NOMINAL PAYMENT THAT THEY MUST ACCEPT IT TO ALLOW TITLE XIX ELIGIBILITY FOR THE ADOPTED CHILD.

THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS RECOMMENDS ABOLISHING THE REQUIRED LINK BETWEEN A SUBSIDY PAYMENT AND MEDICAID ELIGIBILITY. FAMILIES WHO ADOPT CHILDREN WITH SEVERE MEDICAL NEEDS AND WHO NEITHER WANT NOR REQUIRE A SUBSIDY PAYMENT SHOULD BE ALLOWED TO CLAIM MEDICAID WITHOUT BEING REQUIRED TO ACCEPT A SUBSIDY.

PROVIDE THAT ALL CHILDREN RECEIVING TITLE IV-E ARE ELIGIBLE FOR MEDICAID FROM THE STATE WHERE THEY RESIDE

S. 1266 PROPOSES TO AMEND CURRENT LAW TO PROVIDE THAT ADOPTION ASSISTANCE CHILDREN ARE ELIGIBLE FOR MEDICAID FROM THE STATE WHERE THEY RESIDE, REGARDLESS OF WHETHER THAT IS THE STATE WHICH WAS A PARTY TO THE ADOPTION ASSISTANCE AGREEMENT. THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS SUPPORTS THIS PROPOSAL IN THE ARMSTRONG BILL BUT WOULD LIKE TO EXPAND IT TO INCLUDE ALL TITLE IV-E CHILDREN.

MEDICAID ELIGIBILITY IS AN IMPORTANT FACTOR WITH TITLE IV-E ADOPTIONS BECAUSE THE CHILDREN INVOLVED HAVE SPECIAL NEEDS THAT VERY OFTEN INCLUDE HANDICAPS AND OTHER MEDICAL CONDITIONS FOR WHICH EXPENSIVE MEDICAL TREATMENT AND SERVICES ARE KNOWN TO BE NECESSARY. EVEN FAMILIES IN RELATIVELY GOOD ECONOMIC CIRCUMSTANCES ARE GENERALLY HESITANT TO ADOPT A CHILD WHOSE SPECIAL NEEDS WILL CREATE AN EXTRAORDINARY FINANCIAL BURDEN. BY LESSENING THE ECONOMIC RISKS, THE AVAILABILITY OF MEDICAID BENEFITS VASTLY IMPROVES THE CHANCES OF FINDING ADOPTIVE FAMILIES FOR SUCH CHILDREN.

HOWEVER, EXPERIENCE HAS SHOWN THAT THE ONE OF THE MOST SERIOUS PROBLEMS INVOLVED WITH ADOPTION ASSISTANCE IS THE DIFFICULTY OF PROVIDING MEDICAL ASSISTANCE ON AN INTERSTATE BASIS. CURRENT STATUTE REQUIRES THE STATE THAT WAS A PARTY TO THE ADOPTION AGREEMENT TO PAY FOR MEDICAL ASSISTANCE IN THE STATE WHERE THE CHILD RESIDES. DOCTORS, HOSPITALS, AND OTHER MEDICAL PROVIDERS, HOWEVER, ONLY RARELY AGREE TO DEAL WITH THE MEDICAID PROGRAMS OF ANY STATE OTHER THAN THEIR OWN, IN LARGE PART BECAUSE EVERY STATE'S MEDICAID PROGRAM DIFFERS. THE FORMS ARE DIFFERENT; SERVICES COVERED ARE NOT THE SAME; AND REIMBURSEMENT LEVELS VARY WIDELY. THIS MAKES THE AVAILABILITY OF MEDICAID

BENEFITS OF DUBIOUS VALUE TO A CHILD WHO HAS A MEDICAID CARD FROM ONE STATE BUT RESIDES IN ANOTHER STATE, EVEN THOUGH THAT CHILD IS LEGALLY ENTITLED TO SERVICES.

BASED ON A JUNE 1984 SURVEY OF THE 50 STATES AND THE DISTRICT OF COLUMBIA, A TOTAL OF 1,010 TITLE IV-E ADOPTION ASSISTANCE CHILDREN WERE RESIDING IN A STATE OTHER THAN THAT WHICH SIGNED THE ADOPTION ASSISTANCE AGREEMENT WITH THE CHILDREN'S FAMILIES. IF THESE ADOPTION ASSISTANCE CHILDREN CAUGHT IN INTERSTATE SITUATIONS ARE TO RECEIVE SERVICES TO WHICH THEY ARE ENTITLED THROUGH MEDICAID, THEY MUST HAVE A WAY TO EASILY ACCESS THEM. THE AMERICAN PUBLIC WELFARE ASSOCIATION, UNDER CONTRACT WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, HAS BEEN WORKING WITH STATES TO ASSIST THEM IN ADOPTING LEGISLATION THAT WOULD ENABLE THEM TO BE PARTY TO THE INTERSTATE COMPACT ON ADOPTION AND MEDICAID ASSISTANCE. A MAJOR PURPOSE OF THIS COMPACT IS TO ENSURE THAT CHILDREN RECEIVING ADOPTION ASSISTANCE ARE ELIGIBLE FOR MEDICAID BENEFITS FROM THE STATE IN WHICH THEY RESIDE. HOWEVER, ENACTING THE COMPACT IS A CUMBERSOME, TIME-CONSUMING PROCESS AND AS OF TODAY, ONLY 9 STATES HAVE BEEN ABLE TO ENACT SUCH LEGISLATION.

LIKE TITLE IV-E ADOPTION ASSISTANCE CHILDREN, TITLE IV-E FOSTER CARE CHILDREN CONFRONT SIMILAR SITUATIONS WITH RECEIVING MEDICAID BENEFITS WHEN THEY ARE PLACED IN ANOTHER STATE. THESE FOSTER CARE CHILDREN ARE THOSE WHO ARE PLACED THROUGH THE INTERSTATE COMPACT ON THE PLACEMENT OF CHILDREN WITH EITHER PARENTS OR RELATIVES OR WHO ARE MOVING WITH THEIR FOSTER PARENTS TO ANOTHER STATE. WITH OVER 25 YEARS OF EXPERIENCE IN PROCESSING SUCH PLACEMENTS, STATE CHILD WELFARE AGENCIES HAVE REPORTED THAT ONE OF THE MAJOR PROBLEMS CHILDREN ENCOUNTER WHEN PLACED IN ANOTHER STATE IS SECURING NEEDED MEDICAL SERVICES WITH AN OUT-OF-STATE MEDICAID CARD. THUS, WHILE THESE CHILDREN HAVE AN

ENTITLEMENT TO MEDICAL SERVICES, IN PRACTICE THEY HAVE CONSIDERABLE DIFFICULTY IN ACTUALLY GAINING ACCESS TO THEM.

THUS, WE PROPOSE THAT SECTION 473 OF THE SOCIAL SECURITY ACT BE AMENDED SO THAT TITLE IV-E ADOPTION ASSISTANCE AND FOSTER CARE CHILDREN ARE ELIGIBLE FOR MEDICAID FROM THE STATE WHERE THEY RESIDE, REGARDLESS OF WHETHER IT IS THE STATE WHICH WAS A PARTY TO THE ADOPTION ASSISTANCE AGREEMENT OR WHETHER IT IS THE STATE LEGALLY AND FINANCIALLY RESPONSIBLE FOR THE CHILD.

PROVIDE MEDICAID COVERAGE FROM THE TIME A CHILD IS PLACED FOR ADOPTION

WE SUPPORT THE PROVISION IN SENATOR MOYNIHAN'S BILL WHICH WOULD PROVIDE MEDICAID COVERAGE FOR CHILDREN PRIOR TO FINAL ADOPTION.

UNDER CURRENT LAW, A CHILD WHO IS REMOVED FROM A FOSTER CARE SETTING FOR PURPOSES OF ADOPTION AND FOR WHOM AN ADOPTION PETITION IS FILED, IS NOT ELIGIBLE FOR MEDICAID PAYMENTS UNTIL AN INTERLOCUTORY DECREE OR THE FINAL DECREE OF ADOPTION IS ISSUED, THEREBY BEGINNING ADOPTION ASSISTANCE PAYMENTS. IN A SURVEY CONDUCTED LAST YEAR, WE FOUND THAT ON AVERAGE CHILDREN WAIT IN ADOPTIVE PLACEMENTS 9 MONTHS PRIOR TO FINALIZATION. THE RANGE OF TIME SPANS FROM AN AVERAGE OF 4 MONTHS IN NEW YORK TO AN AVERAGE OF 18 MONTHS IN SOUTH CAROLINA. MANY STATES HAVE A MINIMUM LENGTH OF TIME, USUALLY 6 MONTHS, THAT CHILDREN MUST WAIT IN ADOPTIVE PLACEMENT PRIOR TO ADOPTION FINALIZATION. DURING THIS LAG TIME THE CHILD IS NOT ELIGIBLE FOR MEDICAID, SINCE P.L. 96-272 REQUIRES THAT AN ACTUAL TITLE IV-E PAYMENT BE THE TRIGGER FOR MEDICAID ELIGIBILITY PURPOSES. SOME STATES ARE RESORTING TO LICENSING PRE-ADOPTIVE HOMES AS FOSTER CARE HOMES AND PAYING THE FAMILY AT THE FREQUENTLY MORE COSTLY FOSTER CARE RATE IN ORDER TO ENSURE THAT MEDICAID COVERAGE CONTINUES.

THERE ARE, HOWEVER, TWO POTENTIAL PROBLEMS WITH THIS PROCEDURE. FIRST, LICENSING HOMES AS FOSTER HOMES AND PAYING THE FOSTER CARE RATE CONFUSES THE PURPOSE OF PLACEMENT AND CLOUDS THE DEFINITIONS BETWEEN FOSTER CHILDREN, FOSTER HOME, ADOPTIVE CHILDREN, AND ADOPTIVE HOME. SOME OF THE STATES USING THIS PROCEDURE DO NOT KNOW HOW MANY CHILDREN THEY HAVE "PLACED" FOR ADOPTION BECAUSE THEY CONSIDER THESE CHILDREN TO BE IN FOSTER CARE UNTIL ADOPTION FINALIZATION. THE SECOND PROBLEM IS THE BURDENSOME ADMINISTRATIVE REQUIREMENTS ESTABLISHED FOR A SMALL NUMBER OF CHILDREN FOR A SHORT PERIOD TIME. MANY STATES FEEL WORKER TIME IS TOO PRECIOUS TO PERFORM EXTRA LICENSING AND ACCOUNTING WORK SIMPLY TO ACCOMMODATE THIS FEDERAL FUNDING BARRIER. AMENDING P.L. 96-272 TO ALLOW MEDICAID COVERAGE FOR CHILDREN IN ADOPTIVE PLACEMENTS COULD POTENTIALLY SAVE STATE AND FEDERAL FUNDS BY ALLEVIATING THE NECESSITY FOR STATES TO TAKE THE STEP OF LICENSING AN ADOPTIVE HOME AS A FOSTER CARE HOME.

REPEAL THE REQUIREMENT FOR SIX MONTH REDETERMINATIONS OF ELIGIBILITY FOR TITLE IV-E FOSTER CARE

WE SUPPORT THE PROVISION IN SENATOR MOYNIHAN'S BILL THAT WOULD REMOVE THE REQUIREMENT TO CONDUCT, EVERY SIX MONTHS, REVIEWS OF A CHILD'S CONTINUED ELIGIBILITY FOR TITLE IV-E FOSTER CARE. THESE REDETERMINATIONS SHOULD BE MADE ONLY WHEN, ACCORDING TO CRITERIA ESTABLISHED BY EACH STATE, THERE HAS BEEN A CHANGE AFFECTING ELIGIBILITY. ALTHOUGH STATES DO NOT KEEP PRECISE DATA ON THE NUMBER OF CHILDREN WHO BECOME INELIGIBLE AS A RESULT OF THE 6-MONTH ELIGIBILITY REDETERMINATION REVIEWS, IN OUR SURVEY LAST YEAR WE FOUND THAT IN MOST STATES THE NUMBER IS LESS THAN 1% OF THE FOSTER CARE POPULATION, AND SEVERAL STATES REPORTED THAT NO CHILDREN WERE FOUND INELIGIBLE IN THE LAST

YEAR. FEW CHILDREN ARE FOUND INELIGIBLE DURING THE 6-MONTH ELIGIBILITY REDETERMINATIONS BECAUSE: 1) INCOME AND OTHER CATEGORICAL FACTORS, INCLUDING THE DEPRIVATION FACTOR, DO NOT CHANGE MUCH IN FOSTER CARE CASES; AND 2) WHEN THERE ARE CHANGES IN A CHILD'S OR FAMILY'S CIRCUMSTANCES, STATES MAKE ADJUSTMENTS AT THAT TIME, RATHER THAN WAITING UNTIL THE 6-MONTH REVIEW. AS TEXAS REPORTED, THE MAJORITY OF CHILDREN WHO BECOME INELIGIBLE DO SO AS A RESULT OF SPECIAL REVIEWS COMPLETED WHEN THE CHILD'S CIRCUMSTANCES CHANGE, NOT DURING 6-MONTH REVIEWS. SOUTH CAROLINA ALSO EXPLAINED THAT IT DOES NOT WAIT UNTIL THE 6-MONTH REVIEW TO MAKE CHANGES, BUT NONETHELESS GOES THROUGH THE FORMALITY OF 6-MONTH REVIEWS BECAUSE OF THE CURRENT REQUIREMENT.

ON AVERAGE, STATES ESTIMATE THE COST PER REDETERMINATION AT $50. THUS, STATES ARE SPENDING, ON AVERAGE, $100 PER YEAR PER CHILD TO CONDUCT TWO 6-MONTH ELIGIBILITY REDETERMINATION REVIEWS, AND FINDING LESS THAN 1% OF THE CHILDREN INELIGIBLE. ALTHOUGH THESE ESTIMATES ARE VERY ROUGH, AND THE DOLLAR AMOUNTS ARE NOT GREAT, THE RESULTS SIGNIFY THAT 6-MONTH ELIGIBILITY REDETERMINATIONS ARE NOT AN EFFICIENT USE OF RESOURCES. THE NUMBER OF CHANGES IN INELIGIBILITY STATUS DOES NOT WARRANT THE EXPENDITURE AND TIME NECESSARY TO REVIEW ALL CASES EVERY 6 MONTHS.

REPEAL THE REQUIREMENT THAT, FOR EACH CHILD'S TITLE IV-E ELIGIBILITY, A COURT MUST DETERMINE THAT REASONABLE EFFORTS WERE MADE TO PREVENT PLACEMENT

WE URGE DELETION OF THAT PORTION OF SECTION 472(A)(1) WHICH REQUIRES, AS A CRITERION FOR EACH CHILD'S ELIGIBILITY FOR FEDERAL FINANCIAL PARTICIPATION A COURT DETERMINATION THAT REASONABLE EFFORTS WERE MADE (PRIOR TO THE PLACEMENT OF THE CHILD IN FOSTER CARE) TO PREVENT OR ELIMINATE THE NEED FOR REMOVAL OF THE CHILD FROM HIS HOME, OR TO RETURN THE CHILD HOME.

OUR PROPOSAL IS NOT INTENDED TO REMOVE THE PREPLACEMENT PREVENTIVE SERVICES REQUIREMENTS OF P.L. 96-272 OR TO DIMINISH THE ROLE OF THE COURTS IN REVIEWING ALL ASPECTS OF CASES BROUGHT BEFORE THEM. THIS PORTION OF SECTION 472(A)(1) REQUIRES ALREADY OVERBURDENED COURTS TO TAKE ON THE ADDITIONAL TASK OF PASSING JUDGMENT ON THE REASONABLENESS OF STATE CHILD WELFARE AGENCIES' EFFORTS TO PROVIDE SERVICES TO EACH CHILD REMOVED FROM HIS HOME.

FAILURE TO OBTAIN SUCH A COURT DETERMINATION EVEN IN THOSE CASES WHERE SERVICES WERE ACTUALLY PROVIDED, WOULD RENDER THE CHILD INELIGIBLE FOR THE FEDERAL FOSTER CARE (TITLE IV-E) PROGRAM. IN SOME STATES THIS WOULD ALSO RESULT IN THE CHILD'S LOSS OF MEDICAID BENEFITS. ANOTHER PORTION OF P.L. 96-272, SECTION 471 (A)(15), ALREADY ESTABLISHES, AS A CONDITION OF STATE TITLE IV-E ELIGIBILITY AFTER OCTOBER 1, 1983, THAT EACH STATE HAVE IN OPERATION A PREPLACEMENT PREVENTION AND REUNIFICATION SERVICES PROGRAM WHICH PROVIDES THESE SERVICES TO EACH CHILD AS MENTIONED ABOVE. IN ORDER TO CARRY OUT THIS PROVISION, THE FEDERAL REGULATIONS, PUBLISHED MAY 23, 1983, REQUIRED THAT THE CASE PLAN DOCUMENT, PREPARED FOR EACH CHILD, CONTAIN A "DESCRIPTION OF THE SERVICES OFFERED AND THE SERVICES PROVIDED TO PREVENT REMOVAL OF THE CHILD FROM THE HOME AND TO REUNIFY THE FAMILY"

IT IS THE POSITION OF THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS THAT COMPLIANCE WITH THE PREPLACEMENT PREVENTION AND REUNIFICATION SERVICES REQUIREMENT OF P.L. 96-272 IS BEST HANDLED AS A STATE ELIGIBILITY ISSUE WITH DOCUMENTATION AVAILABLE FOR EACH CHILD, RATHER THAN THROUGH INCREASED INVOLVEMENT OF THE COURTS AND POTENTIAL LOSS OF TITLE IV-E ELIGIBILITY TARGETED ON INDIVIDUAL CHILDREN.

RETAIN TWO YEAR LIMIT ON STATE SUBMISSION OF PRIOR YEAR CLAIMS

THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS URGES CONGRESS TO RETAIN THE TWO YEAR LIMIT ON THE SUBMISSION OF PRIOR YEAR CLAIMS FOR THE TITLE IV-E PROGRAM. S. 1266 WOULD REDUCE THIS LIMIT TO ONE YEAR. THE TITLE IV-E PROGRAM AS ENACTED BY P.L. 96-272 IS MUCH MORE COMPLICATED THAN ITS PREDECESSOR, THE TITLE IV-A FOSTER CARE PROGRAM. THE MORE INVOLVED PROCESS OF ESTABLISHING ELIGIBILITY FOR TITLE IV-E MAKES IT UNREALISTIC TO RESTRICT SUBMISSION OF CLAIMS TO EXPENDITURES MADE WITHIN ONE YEAR. IN ADDITION, TITLE IV-E IS ADMINISTRATIVELY COMPLICATED BY THE FACT THAT, LIKE MEDICAID A LARGE NUMBER OF VENDOR PAYMENTS ARE MADE. THE LIMIT ON THE FILING OF STATE CLAIMS UNDER TITLE IV-E SHOULD BE NO LESS THAN THAT WHICH EXISTS CURRENTLY FOR MEDICAID OR TITLE IV-A, TWO YEARS.

OPPOSE IMPOSITION OF MANDATED FEDERAL REPORTING REQUIREMENTS

THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS OPPOSES THE PROVISION IN SENATOR MOYNIHAN'S BILL THAT WOULD REIMPOSE FEDERAL REPORTING REQUIREMENTS ON STATES. STATES HAVE SINCE 1981 BEEN WORKING WITH THE AMERICAN PUBLIC WELFARE ASSOCIATION'S VOLUNTARY COOPERATIVE INFORMATION SYSTEM (VCIS) AND HAVE VOLUNTARILY BEEN SUBMITTING INFORMATION THROUGH THIS SYSTEM. WE BELIEVE THIS HAS BEEN A SUCCESSFUL APPROACH TO MEETING FEDERAL INFORMATION NEEDS ON AN ONGOING BASIS.

IN ADDITION, THE AMERICAN PUBLIC WELFARE ASSOCIATION HAS RECENTLY BEEN AWARDED A GRANT THROUGH VCIS, TO COLLECT AND ANALYZE DATA FOR A FEDERAL ADOPTION AND FOSTER CARE DATA-GATHERING AND ANALYSIS SYSTEM IN COMPLIANCE WITH SECTION 203 (B)(1) OF THE CHILD ABUSE AMENDMENT OF 1984 (PL 98-457). WE DO AGREE THERE

MAY BE SOME ITEMS OF INFORMATION CONGRESS DESIRES THAT ARE NOT AVAILABLE THROUGH THIS MECHANISM, BUT WE BELIEVE SUCH UNANSWERED QUESTIONS CAN BEST BE DEALT WITH BY INSTRUCTING THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO CONDUCT SPECIAL STUDIES.

THE REIMPOSITION OF MANDATED FEDERAL REPORTING REQUIREMENTS WITH STANDARDIZED DEFINITIONS OF TERMS WOULD WRECK HAVOC ON EXISTING STATE CHILD WELFARE INFORMATION SYSTEMS. EACH STATE HAS DEVELOPED ITS SYSTEM FIRST AND FOREMOST TO MEET THE NEEDS OF THE CHILDREN WITHIN THAT STATE. SYSTEMS ARE SET UP USING DEFINITIONS AND CONTAINING DATA ITEMS THAT ARE BASED UPON STATE STATUTES, STATE PRACTICE, STATE PROGRAMS, AND STATE-DETERMINED NEEDS FOR INFORMATION. MANDATING THAT ALL STATES REVISE THEIR SYSTEMS TO MEET NATIONALLY ESTABLISHED DEFINITIONS AND NATIONALLY DETERMINED NEEDS FOR INFORMATION WOULD BE EXTRAORDINARILY EXPENSIVE AND IN THE LONG RUN OF QUESTIONABLE VALUE. WE URGE YOU TO REJECT THIS PROPOSAL.

IF CONGRESS DECIDES TO REIMPOSE FEDERAL REPORTING REQUIREMENTS, STATES SHOULD NOT BE PUT IN THE POSITION OF USING LIMITED CHILD WELFARE FUNDS FOR THE COSTS OF MODIFYING STATE SYSTEMS TO MEET THESE REQUIREMENTS. IF CONGRESS REIMPOSES FEDERAL REPORTING REQUIREMENTS, THEN FUNDS SHOULD BE MADE AVAILABLE ON A 90-10 FEDERAL-STATE MATCH RATE BASIS FOR THE COSTS OF THE HARDWARE AND SOFTWARE NECESSARY TO AUTOMATE THEIR SYSTEMS OR REVISE THEIR ALREADY AUTOMATED SYSTEMS TO MEET THESE NEW REQUIREMENTS.

ADDITIONAL INCENTIVES

P.L. 96-272 HAS WORKED TOWARD RESOLVING MANY OF THE PROBLEMS THAT WERE IDENTIFIED OVER 5 YEARS AGO WITH THE PUBLIC CHILD WELFARE AND FOSTER CARE

SYSTEMS. AS THE IMPROVEMENTS HAVE BEEN MADE (I.E., REDUCTION IN FOSTER CARE "DRIFT", STRUCTURED REVIEW SYSTEMS), HOWEVER, ADDITIONAL PROBLEMS HAVE APPEARED. THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS BELIEVES IT IS NOW NECESSARY TO LOOK AT THE STATE OF THE FOSTER CARE SYSTEM TODAY AND TO IDENTIFY THOSE AREAS WHERE INCREASED FEDERAL INCENTIVES FOR REFORM COULD BE MOST BENEFICIAL.

STATES ARE NO LONGER SEEING SO MANY YOUNG CHILDREN COME INTO CARE AND STAY FOR YEARS IN MULTIPLE FOSTER HOMES. WHAT STATES NOW SEE IS A DECREASE IN THE TOTAL NUMBER OF CHILDREN IN CARE AT ANY ONE TIME BUT AN INCREASE IN THE NUMBER OF CHILDREN ENTERING CARE (I.E., AN INCREASE IN THE TURNOVER OF CHILDREN IN FOSTER CARE).

THERE IS ALSO A VARIETY OF "NEW" PROBLEMS FACING CHILD WELFARE ADMINISTRATORS TODAY. IN VIRTUALLY ALL STATES, REPORTS OF CHILD PHYSICAL AND SEXUAL ABUSE ARE ON THE UPSWING, RESULTING IN INCREASES IN THE NUMBERS OF CHILDREN COMING INTO CARE. THESE VICTIMS OF PHYSICAL AND SEXUAL ABUSE ARE PRESENTING NEW CHALLENGES TO THE CHILD WELFARE SYSTEM. IN ADDITION, STATES ARE ALSO FINDING THAT MANY OF THE CHILDREN COMING INTO CARE ARE OLDER CHILDREN WHO WERE OFTEN UNIDENTIFIED VICTIMS OF CHILD ABUSE OR SEXUAL ABUSE WHEN YOUNGER. THESE CHILDREN NOW MANIFEST SERIOUS BEHAVIOUR DISORDERS AND CANNOT BE SERVED IN THEIR OWN HOMES. OTHER CHILDREN IN CARE INCLUDE OLDER CHILDREN WHO HAVE BEEN IN CARE FOR YEARS WHO NOW HAVE FEW PROSPECTS FOR REUNIFICATION WITH THEIR FAMILIES OR FOR ADOPTION WITH A NEW FAMILY. ALSO WHILE STATES ARE FINDING MORE AND MORE HOMES FOR SPECIAL NEEDS CHILDREN, ADOPTION DISRUPTION RATES ARE INCREASING. WHILE DISRUPTION HAS BECOME ACCEPTED AS A REALITY OF SPECIAL NEEDS ADOPTIONS, WE NEED TO BE ABLE TO DO MORE TO HELP THESE FAMILIES COPE. FINALLY, CASEWORKERS ARE SO OVERBURDENED WITH ADMINISTRATIVE PAPERWORK, MUCH

OF WHICH IS REQUIRED TO DOCUMENT COMPLIANCE WITH P.L. 96-272. THAT PRECIOUS TIME IS BEING TAKEN AWAY FROM WORKING DIRECTLY WITH FAMILIES AND CHILDREN.

THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS BELIEVES THAT ANY NEW FEDERAL INCENTIVE SYSTEM SHOULD ASSIST STATES IN BETTER ACHIEVING SOLUTIONS TO THESE PROBLEMS. WE HAVE IDENTIFIED THREE EQUALLY IMPORTANT OBJECTIVES OF ANY NEW FEDERAL FOSTER CARE REDUCTION INCENTIVES. THEY SHOULD BE DESIGNED TO: (1) REDUCE THE RATE OF ENTRY INTO CARE; (2) STRENGTHEN REUNIFICATION SERVICES; AND (3) SHORTEN THE LENGTH OF STAY IN FOSTER CARE THROUGH ALTERNATIVE PERMANENT ARRANGEMENTS FOR THOSE UNABLE TO RETURN HOME. EACH OF THESE OBJECTIVES IS AIMED AT A DIFFERENT TARGET GROUP OF CHILDREN AND REQUIRES FLEXIBLE STRATEGIES AND APPROACHES FOR SUCCESS.

MINOR SYSTEM CHANGES, SUCH AS THE $3,000 BONUS PAYMENT PROPOSED IN S. 1266, WILL NOT ASSIST STATES IN BETTER MEETING THE VARIED NEEDS OF THE CHILDREN AND FAMILIES WHO COME INTO CONTACT WITH THE CHILD WELFARE SYSTEM TODAY. WHAT IS NEEDED ARE MAJOR SYSTEM CHANGES. TOWARD THIS END, THE NATIONAL COUNCIL OF STATE HUMAN SERVICE ADMINISTRATORS MAKES THE FOLLOWING RECOMMENDATIONS.

MODIFY TITLE IV-E TO MAKE IT MORE FLEXIBLE

TO ENABLE STATES TO BE MORE RESPONSIVE TO THE CHANGING NEEDS OF CHILDREN AND THEIR FAMILIES AND TO THE CHANGING COMPOSITION OF THE FOSTER CARE POPULATION WITHIN THEIR JURISDICTION THERE SHOULD BE MORE FLEXIBILITY IN THE USE OF FEDERAL FOSTER CARE FUNDS. P.L. 96-272 WAS DRAFTED TO MEET THE NEEDS OF THE FOSTER CARE SYSTEM AT THE TIME THE LAW WAS ENACTED. THE NEEDS OF THAT SYSTEM HAVE CHANGED SOME AND CAN BE EXPECTED TO CHANGE EVEN MORE IN FUTURE YEARS.

LET ME GIVE YOU AS AN EXAMPLE OF HOW THE LAW COULD BE MADE MORE FLEXIBLE. P.L. 96-272 HAS AS MAJOR GOALS PREVENTING PLACEMENT AND RETURNING CHILDREN RAPIDLY TO THEIR OWN HOMES. YET FEDERAL INTERPRETATION OF THE LAW HAS PLACED STRICT PROHIBITIONS AGAINST THE USE OF TITLE IV-E FOSTER CARE FUNDS FOR THE VERY SERVICES NECESSARY TO SUPPORT CHILDREN IN THEIR OWN HOMES OR TO ENSURE CHILDREN A SAFE RETURN HOME. STATES SHOULD BE ALLOWED TO UTILIZE TITLE IV-E FUNDS FOR NOT ONLY THE ADMINISTRATIVE AND MAINTENANCE COSTS OF KEEPING CHILDREN IN CARE BUT ALSO THOSE DIRECTLY RELATED COSTS OF KEEPING CHILDREN OUT OF CARE. STATES SHOULD BE ALLOWED TO CREATE FLEXIBLE PROGRAMS OF SERVICES FOR CHILDREN. WE HAVE THE ABILITY TO IDENTIFY WHAT WORKS; WE SHOULD HAVE THE EQUAL ABILITY TO FUND WHAT WORKS.

MODIFY AND EXPAND CURRENT TITLE IV-E REIMBURSEMENT POLICIES

TITLE IV-E FOSTER CARE REIMBURSEMENT POLICIES SHOULD BE MODIFIED AND EXPANDED TO ENABLE STATES TO MEET THE VARIED NEEDS OF CHILDREN IN FOSTER CARE TODAY. FOR EXAMPLE, OLDER CHILDREN IN MANY CASES ARE NOT CANDIDATES FOR REUNIFICATION OR ADOPTION BUT RATHER NEED PREPARATION FOR INDEPENDENT LIVING AND ULTIMATELY EMANCIPATION. WE STRONGLY SUPPORT THE PROVISION IN SENATOR MOYNIHAN'S BILL WHICH PROVIDES FOR A TRANSITIONAL INDEPENDENT LIVING PROGRAM FOR OLDER FOSTER CHILDREN. STATES OUGHT TO BE ABLE TO USE TITLE IV-E FOSTER CARE FUNDS FOR INDEPENDENT LIVING AND EMANCIPATION PROGRAMS. STATES MIGHT ALSO WANT TO USE TITLE IV-E FOSTER CARE FUNDS FOR DIRECT PAYMENTS TO CHILDREN IN SUPERVISED INDEPENDENT LIVING ARRANGEMENTS. WE NEED THE FLEXIBILITY TO BE ABLE TO SEEK REIMBURSEMENT FOR SPECIALIZED PROGRAMS WHICH MIGHT NOT FALL UNDER THE CURRENT DEFINITION OF ALLOWABLE EXPENDITURES BUT WHICH ARE NECESSARY TO PROVIDE THE SUPPORT FOSTER CHILDREN NEED.

EXPAND TITLE IV-E ADMINISTRATIVE REIMBURSEMENT POLICY TO MAKE IT MORE EQUITABLE BY COVERING THE COSTS OF SERVING NON-TITLE IV-E ELIGIBLE CHILDREN

P.L. 96-272 REQUIRES A STATE TO EXTEND THE PROTECTIONS OF THE LAW TO ALL OF THE CHILDREN IN THE CUSTODY OR UNDER THE CARE OF THE STATE. HOWEVER, FEDERAL TITLE IV-E FUNDS COVER ONLY THE ADMINISTRATIVE AND MAINTENANCE COSTS OF CHILDREN WHO BY VIRTUE OF FAMILY INCOME ARE DETERMINED TO BE ELIGIBLE. STATES SHOULD BE ABLE TO SEEK REIMBURSEMENT AT THE 50-50 FEDERAL MATCH RATE FOR THE ADMINISTRATIVE COSTS OF ALL OF THE CHILDREN IN FOSTER CARE (MAINTENANCE COSTS WOULD STILL BE RESTRICTED TO THOSE CURRENTLY DEFINED AS TITLE IV-E ELIGIBLE). THIS WOULD BE MORE EQUITABLE AND WOULD ENABLE STATES TO BETTER MEET THE NEEDS OF ALL CHILDREN IN CARE.

EXPAND TITLE IV-E ADOPTION ASSISTANCE TO ALL SPECIAL NEEDS CHILDREN IN THE CARE AND CUSTODY OF THE STATE

WE PROPOSE THAT ELIGIBILITY FOR THE TITLE IV-E ADOPTION ASSISTANCE PROGRAM BE EXTENDED TO INCLUDE ALL SPECIAL NEEDS CHILDREN IN THE CARE AND CUSTODY OF THE STATE. THESE CHILDREN SHOULD ALSO BE ELIGIBLE FOR MEDICAID COVERAGE. WHEN A SPECIAL NEEDS CHILD IS READY FOR ADOPTION THE AVAILABILITY OF A SUBSIDY SHOULD NOT BE DEPENDENT UPON WHETHER THAT CHILD'S BIRTH FAMILY WAS ELIGIBLE FOR AFDC. WE SUPPORT THE PROVISION IN SENATOR MOYNIHAN'S BILL THAT WOULD EXTEND MEDICAID COVERAGE FOR ALL SPECIAL NEEDS CHILDREN IN SUBSIDIZED ADOPTION AND BELIEVE THAT TITLE IV-E ADOPTION ASSISTANCE SHOULD BE AVAILABLE AS WELL.

Expand Title IV-E Adoption Assistance to Cover the Costs of Adoption Counseling Services

We support the provision in Senator Moynihan's bill that would expand Title IV-E to cover post-adoptive counseling services. However, we propose that Title IV-E adoption assistance be expanded to include the costs associated with providing both pre-and post-adoptive counseling services for special needs children. These additional resources are needed to enable states to better work with families and special needs children before and after the child is placed for adoption. Given the higher disruption rates now being experienced, there is a clear need for supportive services for families adopting special needs children.

Mr. Chairman, thank you very much for the opportunity to testify before the committee today and to present the views of the National Council of State Human Service Administrators. We stand ready to assist you and this committee in any way we can as you move forward in revising this vital law for children and their families.

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Senator ARMSTRONG. Mr. Brettschneider.

STATEMENT OF ERIC BRETTSCHNEIDER, DEPUTY ADMINISTRATOR, SPECIAL SERVICES FOR CHILDREN, HUMAN RESOURCES ADMINISTRATION, NEW YORK, NY

Mr. BRETTSCHNEIDER. Good afternoon. My name is Eric Brettschneider. Since February 13, 1985, I've been deputy administrator of special services for children [SSC] the New York City Human Resources Administration. SSC is responsible for New York's $399 million child welfare program. For the last 15 years, I have worked in the field of child welfare. I've worked with a sense of concern and a sense of advocacy. I've been an advocate and now I'm an administrator. Being an advocate was easier.

The first thing I want to do on behalf of the 20,000 children in New York City's preventive services programs, 17,000 children in our foster care programs, and the 9,000 children currently receiving adoption assistance is to thank you, Senator Armstrong and Senator Moynihan, for Public Law 96-272. It has been a major support in making the human services arsenal for families in trouble in New York City more comprehensive, more rational, and more humane. Thank you for your continued willingness to review and refine that law.

I believe the dramatic decline in the New York City foster care population and in the length of stay in care do result, in great measure from our success in implementing both Public Law 96-272 and New York State's own Child Welfare Reform Act of 1979. New York City's foster care population declined 17 percent since 1981 from 20,300 children to 16,800 children. We in New York City took Public Law 96-272 seriously.

We also take seriously new need and initiatives, and that's why we are so grateful to be able to draw attention to Senator Moynihan's proposal to focus on independent living programs. In the 1970's, I ran a program in Queens County, which has been mentioned twice today at these hearings. That program was one of the prototypes for preventive services for families and children to see if providing services to families before a crisis erupts could help to avoid unnecessary foster care. Just as that made sense then in fiscal and, more importantly human terms, it makes sense now to take a look at the 5,000 children in New York City's foster care system for whom adoption is not the goal, for whom return home is not the goal, but for whom independent living is the goal, an accepted goal, a supervised goal, a rational goal.

Senator Moynihan's provisions would open up a new front in the struggle to help families. including the provision to extend financial eligibility to foster care children of ages 19-21. The cost of ignoring this population, as well as other children with a goal of independent living, is too often adult dependency, homelessness, or a good deal worse.

We appreciate your leadership here.

And now I have the chance for the first time in a long time to talk about a group of foster care professionals who are in many ways the cornerstone of the system. That there was a job that I once had in serving children in foster care that made me think about the unreasonable expectations we sometimes have of each other. And I want to emphasize here the fact that we have foster care parents and child care workers in the system who we expect to be nutritionists, teachers, parents, recreation workers, cooks, maintenance men and women, homemakers, therapists, hobbyists. We expect them to be everything for children, very often children who are aggressive or who are difficult, who have learned to provoke negative behavior through years of being ignored.

These child care workers are our front line in the system. I won't discuss how much we pay them. I won't discuss in great detail the fact that they work from 7 a.m. very often until 11 p.m., and sometimes have to stay through the night when their replacement doesn't show up. It is a rough job and it's true throughout the country. We are not professionalized in this field, and that's why training in this area is so critical. We support that training, and the increased training offered in Senator Moynihan's proposed amendment.

It's also why I want to add that it's important to enrich our foster care services for the most aggressive children in our system who often become hot potatoes, passed from one program to the other, none of which are equipped to deal with the most aggressive, provocative kids in the system—the older children—for whom we need so to strengthen services so these youngsters are not lost to the mental health or juvenile justice systems.

Finally, just a general word on caps and bonuses. There is a wild card in the foster care system, and that is the 12-percent increase in New York City alone in child abuse and neglect reports. The growth in reports may have an effect on our ability to the administration's proposed amendment to change the base year for calculating a State's share of a foster care expenditures cap would create a great deal of difficulty and would provide a disincentive for the efforts we've made in New York City to improve our services to children and families.

Thank you.

[The prepared written statement of Mr. Brettschneider follows:]

The City of New York

HUMAN RESOURCES ADMINISTRATION
250 CHURCH STREET, NEW YORK, N.Y. 10013

GEORGE GROSS
Administrator/Commissioner

TESTIMONY

PRESENTED BY

ERIC BRETTSCHNEIDER, DEPUTY ADMINISTRATOR

SPECIAL SERVICES FOR CHILDREN

HUMAN RESOURCES ADMINISTRATION OF THE CITY OF NEW YORK

BEFORE THE

FINANCE COMMITTEE

U.S. SENATE

JUNE 24, 1985

I AM ERIC BRETTSCHNEIDER, DEPUTY ADMINISTRATOR OF SPECIAL SERVICES FOR CHILDREN (SSC) OF THE HUMAN RESOURCES ADMINISTRATION OF THE CITY OF NEW YORK. I WOULD LIKE TO THANK SENATOR ARMSTRONG AND THE MEMBERS OF THE SENATE FINANCE COMMITTEE FOR THIS OPPORTUNITY TO TESTIFY ON ISSUES SURROUNDING FEDERAL LEGISLATION UNDER TITLES IV-B AND IV-E OF THE SOCIAL SECURITY ACT.

SSC ADMINISTERS THE FOSTER CARE, ADOPTION ASSISTANCE, AND CHILD WELFARE SERVICE PROGRAMS IN NEW YORK CITY. WE OPERATE A LARGE PROGRAM: OUR PROJECTED BUDGET FOR CITY FISCAL YEAR 1986 IS $399.4 MILLION. WE CURRENTLY SERVE OVER 20,000 CHILDREN IN OUR PREVENTIVE SERVICE PROGRAMS EITHER THROUGH CONTRACTS WITH VOLUNTARY COMMUNITY BASED AGENCIES, OR THROUGH DIRECT SERVICE. WE PROVIDE FOSTER CARE SERVICES TO NEARLY 17,000 CHILDREN AND NEARLY 9000 ADOPTED CHILDREN IN THE CITY ARE CURRENTLY RECEIVING ADOPTION ASSSISTANCE.

I CANNOT STRESS ENOUGH THE IMPORTANCE OF FEDERAL SUPPORT UNDER TITLE IV-E AND IV-B FOR OUR CONTINUED EFFORTS TO PROVIDE SERVICES TO CHILDREN IN NEW YORK CITY. THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980, P.L. 96-272, EMBODIES ONE OF THIS COUNTRY'S MOST SUCCESSFUL SOCIAL PROGRAMS FOR CHILDREN. THE ACT IS A COMPREHENSIVE PIECE OF LEGISLATION THAT WAS ENACTED AFTER MUCH THOUGHT AND DEBATE.

WE THEREFORE CLEARLY SUPPORT EFFORTS TO STRENGTHEN THE ACT AND EXTEND ITS EXPIRING PROVISIONS SO THAT WE MAY CONTINUE THE IMPORTANT WORK WITH CHILDREN AND FAMILIES THAT CONGRESS ENVISIONS: A SYSTEMATIC CHILD WELFARE PROGRAM CONTAINING A FULL RANGE OF SERVICES TAILORED TO MEET THE INDIVIDUAL NEEDS OF VULNERABLE CHILDREN AND THEIR FAMILIES. BY THE SAME TOKEN WE ARE OPPOSED TO EFFORTS THAT WOULD PLACE ARBITRARY FUNDING CEILINGS ON FOSTER CARE SERVICES AND FURTHER REDUCE THE MONEY AVAILABLE FOR PREVENTIVE AND FAMILY REUNIFICATION SERVICES. WHEN P.L.96-272 WAS ENACTED, CONGRESS STRUCTURED INCREASES IN THE TITLE IV-B CHILD WELFARE SERVICE PROGRAM AND LEGISLATED INCREASES IN THE TITLE XX SOCIAL SERVICES BLOCK GRANT TO ENABLE STATES AND LOCALITIES TO IMPLEMENT THE NEW PROTECTIONS, PROCEDURES AND REQUIREMENTS. INSTEAD, TITLE XX WAS CUT BY $700 MILLION IN FY 1981 AND FEDERAL RESOURCES IN TITLE IV-B CHILD WELFARE SERVICES PROGRAM HAVE BEEN CONSTRAINED.

HOWEVER, BEFORE DISCUSSING THE CURRENT LEGISLATIVE PROPOSALS, LET ME GIVE YOU SOME BACKGROUND ON OUR OWN NEW YORK CITY PROGRAMS AND ON THE NATURE OF THE POPULATION THAT WE SERVE.

NEW YORK STATE WAS ONE OF THE FIRST STATES TO IMPLEMENT P.L. 96-272, AND, IN 1979 PASSED ITS OWN CHILD WELFARE REFORM ACT WHICH CONTAINS MANY PROVISIONS SIMILIAR TO THE FEDERAL LAW.

SSC HAS ACHIEVED A CONTINUAL DECLINE IN THE NUMBER OF CHILDREN IN FOSTER CARE. WE ATTRIBUTE THIS DECLINE TO OUR SUCCESS IN IMPLEMENTING THE FEDERAL AND STATE LAWS THROUGH OUR EFFORTS TO KEEP FAMILIES TOGETHER, PREVENT UNNECESSARY FOSTER CARE PLACEMENT AND MOVE CHILDREN INTO PERMANENT FAMILY SITUATIONS IN A TIMELY MANNER. THE NUMBER OF CHILDREN IN FOSTER CARE HAS DECLINED 17 PERCENT SINCE 1981, FROM 20,300 TO 16,800 AND THE MEDIAN LENGTH OF STAY IN FOSTER CARE HAS DROPPED TO TWO YEARS.

OUR PREVENTIVE SERVICES PROGRAMS ARE DESIGNED TO PROVIDE FAMILIES WITH SERVICES WHICH HELP KEEP CHILDREN OUT OF FOSTER CARE OR, IF THEY HAVE BEEN PLACED, HELP TO ACCELERATE THEIR RETURN HOME, INCLUDING COUNSELING, PARENT TRAINING, DAY CARE, ADVOCACY, HOMEMAKER SERVICES AND OTHER SUPPORT .

IN 1984 WE CONTRACTED WITH 79 VOLUNTARY, NON PROFIT PROGRAMS TO PROVIDE THIS BROAD ARRAY OF SERVICES, AND IN 1985 WE EXPANDED, UNDER A NEW INITIATIVE, OUR SERVICE PROVIDERS TO 116 PROGRAMS. THIS INITIATIVE IS SPECIFICALLY DIRECTED AT FAMILIES AT THREE ENTRY POINTS INTO THE FOSTER CARE SYSTEM:

- CASES ARISING FROM REPORTS OF CHILD ABUSE AND NEGLECT WHICH DO NOT REQUIRE INVOLUNTARY REMOVAL OF THE CHILD FROM THE HOME;

- FAMILIES WHO VOLUNTARILY WANT TO PLACE THEIR CHILDREN IN FOSTER CARE; AND

- CHILDREN REFERRED BY FAMILY COURT AS THE RESULT OF A PINS (PERSONS IN NEED OF SUPERVISION) PETITION.

SSC'S DIRECT FOSTER CARE PROGRAMS AND THE 60 VOLUNTARY NON-PROFIT AGENCIES THAT WE CONTRACT WITH DEVELOP A COMPREHENSIVE PLAN FOR EACH CHILD IN FOSTER CARE TO ACHIEVE PERMANENCY GOALS FOR THESE CHILDREN, INCLUDING REUNIFICATION OF THE FAMILY, ADOPTION AND INDEPENDENT LIVING. AS A RESULT OF THIS, WE HAVE ALSO SEEN AN INCREASE IN FINALIZED ADOPTIONS. IN OUR CITY FISCAL YEAR 1984 WE FINALIZED 1,600 ADOPTIONS, 19 PERCENT MORE THAN IN 1983, DESPITE A LOWER FOSTER CARE CASELOAD AND FEWER CHILDREN WITH ADOPTION AS A GOAL.

INDEED, THE NUMBER OF CHILDREN WITH A GOAL OF ADOPTION HAS BEEN DECREASING SINCE JUNE 1983, BY 16 PERCENT, FROM 4,723 CHILDREN TO 3,973 CHILDREN IN JUNE 1984. WE ANTICIPATE THAT IT WILL CONTINUE TO DECLINE OVER THE NEXT SEVERAL YEARS DUE TO MORE CHILDREN BEING REUNITED WITH THEIR FAMILIES.

ADOPTION, AS A POSSIBLE PERMANENCY SERVICE GOAL, IS THE MOST DIFFICULT GOAL TO ACHIEVE BECAUSE IT REQUIRES TERMINATION OF PARENTAL RIGHTS, OFTEN A VERY EMOTIONALLY-CHARGED, TIME-CONSUMING PROCESS. HISTORICALLY, JUDGES HAVE BEEN RELUCTANT TO TERMINATE PARENTAL RIGHTS WHEN ANY HOPE FOR FAMILY REUNIFICATION REMAINS. WITH THE PROVISION OF INTENSIVE SERVICES A FAMILY IS EITHER REUNITED OR THE REALIZATION THAT REUNIFICATION IS NOT FEASIBLE BECOMES CLEAR CUT TO THE COURT.

OUR CURRENT ADOPTION PROCESS INCLUDES PROCEDURES FOR IDENTIFYING CHILDREN FOR WHOM ADOPTION IS APPROPRIATE; FACILITATING THE CHILD'S AVAILABILITY BY OBTAINING A VOLUNTARY SURRENDER OR BY INSTITUTING LEGAL PROCEEDINGS TO TERMINATE PARENTAL RIGHTS; RECRUITING ADOPTIVE FAMILIES; COMPLETING HOME STUDIES; FINALIZING THE LEGAL ADOPTIVE PROCESS; AND PROVIDING POST-ADOPTIVE SERVICES TO FAMILY AND CHILD. THIS PROCESS IS A MULTI-STAGE SOCIAL WORK/LEGAL PROCESS INVOLVING THE NATURAL PARENT(S) THE ADOPTING PARENT(S) THE CHILD(REN) AND TYPICALLY, SEVERAL AGENCIES.

SSC WILL INTENSIFY ITS EFFORTS TO REDUCE THE AVERAGE TIME IT TAKES TO FINALIZE THE ADOPTION PROCESS AFTER SETTING ADOPTION AS A GOAL AND UPON IMPROVING RECRUITMENT EFFORTS FOR HARD-TO-PLACE CHILDREN. OUR RECORD IN CALENDAR YEAR 1985 TO DATE REGARDING THE AVERAGE LENGTH OF TIME BETWEEN SETTING THE GOAL OF ADOPTION AND FINALIZING THE ADOPTION IS 2.6 YEARS.

ONLY 331 OF THE 2,200 YOUNGSTERS IN FOSTER CARE FREED FOR ADOPTION HAD NO ADOPTIVE HOME IDENTIFIED FOR THEM. FOR THESE CHILDREN, WE WILL CONTINUE OUR EFFORTS TO FOCUS ON RECRUITING ADOPTIVE HOMES FOR ADOLESCENTS AND THOSE CHILDREN WITH PHYSICAL AND EMOTIONAL HANDICAPS.

DESPITE OUR EVIDENT SUCCESSES IN THIS AREA, WE HAVE SEEN A CHANGE IN THE NATURE OF OUR FOSTER CARE POPULATION WHICH, IN OUR OPINION, HAS IMPLICATIONS FOR POLICY MAKERS.

OVER THE PAST FOUR YEARS, THE PROPORTION OF CHILDREN IN NEW YORK CITY AGED 2 TO 5 YEARS AND 16 YEARS OF AGE AND OVER HAS INCREASED, WHILE THE PROPORTION OF CHILDREN BETWEEN THE AGES OF 6 AND 16 HAS STEADILY DECREASED. CHILDREN 2 TO 5 YEARS OF AGE ARE NOT IN CARE FOR LONG PERIODS OF TIME ON THE AVERAGE AND THESE YOUNG CHILDREN ARE USUALLY DISCHARGED TO THEIR FAMILIES OR ADOPTED. ON THE OTHER HAND, CHILDREN IN THE OLDER AGE GROUP HAVE BEEN IN FOSTER CARE FOR LONG PERIODS OF TIME, TEND TO HAVE MORE SERIOUS PROBLEMS, AND REQUIRE EXTENSIVE SERVICES IF THEY ARE EXPECTED TO BE DISCHARGED TO THEIR OWN RESPONSIBILITY.

THIS SHIFT IN THE POPULATION IS THE RESULT OF OUR SUCCESS IN IMPLEMENTING THE FEDERAL LAW TO DATE, INCLUDING OUR IMPLEMENTATION OF ALL OF THE SECTION 427 REQUIREMENTS AND THE STATE'S ABILITY TO TRANSFER UNUSED IV-E MONEY INTO OUR SERVICE PROGRAMS. THIS ASSISTS THE CITY AND STATE IN FUNDING THE MANDATED PREVENTIVE AND REUNIFICATION SERVICES PROGRAMS.

HOWEVER, NOW IS THE TIME FOR SERIOUS THOUGHT TO BE GIVEN ON THE FEDERAL LEVEL TO STRENGTHENING THESE PROGRAMS AND MOVING FORWARD TO ADDRESS NEW STRATEGIES TO DEAL WITH THIS CHANGING POPULATION. BY THE SAME TOKEN, NOW IS NOT THE TIME TO HALT OR HINDER CHILD WELFARE REFORM AS THE ADMINISTRATION BILL WOULD DO.

WE ARE, THEREFORE, PLEASED THAT SEN. MOYNIHAN HAS DEVELOPED A BILL WHICH RECOGNIZES THE EMERGING ISSUES IN CHILD WELFARE TODAY AND TAKES A MAJOR STEP FORWARD IN ADDRESSING THESE ISSUES.

WE HAVE BEEN PARTICULARLY CONCERNED WITH THE "AGING-OUT" PHENOMENON, WHERE CHILDREN AGES 18 TO 21 ARE BEING RELEASED WITHOUT ADEQUATE PREPARATION FOR INDEPENDENT LIVING. AS OF 1984, THE PERMANENCY GOAL FOR OVER 5,000 OF THE YOUNGSTERS IN CARE WAS DISCHARGE TO THEIR OWN RESPONSIBILITY. WE HAVE BEEN WORKING TO DEVELOP PROGRAMS FOR THIS POPULATION, INCLUDING A PILOT SUPERVISED INDEPENDENT LIVING PROGRAM, WHERE A GROUP OF CHILDREN LIVE IN AN APARTMENT UNDER THE SUPERVISION OF AN AGENCY COUNSELOR.

THE MOYNIHAN BILL WOULD PROVIDE A DIRECT RESPONSE TO THE UNMET NEEDS OF THE OLDER CHILD IN FOSTER CARE BY PROVIDING FOR TRANSITIONAL INDEPENDENT LIVING PROGRAMS. WE ALL HAVE A RESPONSIBILITY TO THESE YOUTH AND WE ARE SHORT CHANGING THEM IF WE ALLOW THEM TO BE DISCHARGED FROM FOSTER CARE WITHOUT THE PROPER PREPARATION TO DEAL WITH THE REAL WORLD. IF WE DON'T PROVIDE ADEQUATE CARE AND SERVICES TO THESE YOUTH UNDER THE FOSTER CARE PROGRAM NOW, SOCIETY MAY END UP PAYING FOR THEIR SUPPORT THROUGH HOMELESS PROGRAMS OR EVEN WORSE, THROUGH THE PENAL SYSTEM.

EXTENDING FEDERAL FOSTER CARE FUNDING MAINTENANCE PAYMENTS TO YOUNGSTERS BETWEEN 19 AND 21 WHO ARE IN SECONDARY SCHOOL OR TRAINING PROGRAMS IS NOT ONLY SOUND POLICY BUT IN THE LONG RUN FISCALLY RESPONSIBLE. WHEN P.L. 96-272 WAS ORIGINALLY PASSED, THESE CHILDREN WERE ENTITLED TO FEDERAL FOSTER CARE SERVICES. IT WAS ONLY WITH THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (OBRA), THAT THEIR ELIGIBILITY FOR BOTH AFDC AND FOSTER CARE WAS

TERMINATED. WE HAVE ALWAYS CONSIDERED THAT CHANGE IN THE FEDERAL LAW TO HAVE BEEN ENTIRELY INAPPROPRIATE AND SHORTSIGHTED. WE THEREFORE EXTENDED STATE AND LOCAL ASSISTANCE TO THESE CHILDREN. CURRENTLY WE HAVE 276 CHILDREN IN THIS CATEGORY BEING SUPPORTED ENTIRELY WITH STATE AND LOCAL FUNDS, AND WE CLEARLY BELIEVE THAT THE AGE 19 CUT OFF POINT DOES NOT PROVIDE SUFFICIENT TIME FOR THEM TO COMPLETE THEIR SCHOOLING/TRAINING.

WE ALSO STRONGLY SUPPORT THE PROVISIONS FOR TRAINING OF FOSTER PARENTS AND CHILD CARE STAFF PROPOSED IN THE MOYNIHAN BILL. TRAINING OF CHILD WELFARE PROFESSIONALS IS A VERY IMPORTANT AND NECESSARY TOOL FOR THE DEVELOPMENT OF COMPETENT STAFF TO MEET THE NEEDS OF THE CHILDREN AND FAMILIES THEY SERVE. PRIOR TO OBRA, $75 MILLION IN TITLE XX TRAINING FUNDS WAS PROVIDED TO STATES IN ORDER TO DEVELOP A COMPETENT CHILD CARE STAFF TO PROVIDE SUCH SERVICES.

THE ROLE OF A FOSTER CARE CHILD CARE WORKER IS A MULTIFACETED ONE: LAY PSYCHOANALYST, COMMUNITY ORGANIZER, NUTRITIONIST, REMEDIAL READING SPECIALIST, PHYSICAL ED TEACHER - THE LIST GOES ON. MOREOVER, MANY OF THE CHILDREN IN FOSTER CARE ARE NOW OLDER, MORE DISTURBED AND EXHIBIT SEVERE ACTING-OUT BEHAVIOR. CONSEQUENTLY, THE FOSTER PARENTS AND CHILD CARE STAFF WHO CARE FOR THEM REQUIRE SPECIAL SKILL AND COMPETENCE. THESE DIFFICULT TO DEAL WITH CHILDREN MAY END UP BEING PLACED IN SEVERAL FOSTER HOMES, EVENTUALLY ENDING UP IN AN INSTITUTIONAL SETTING BECAUSE THE FOSTER PARENTS OR CHILD CARE STAFF ARE ILL-EQUIPPED AND LACK TRAINING IN HANDLING THE FOSTER CHILD'S BEHAVIOR.

FEDERAL TRAINING RESOURCES COULD GO A LONG WAY TOWARD MAINTAINING CHILDREN IN THE LEAST RESTRICTIVE SETTING APPROPRIATE TO THEIR NEEDS. IN ADDITION TO TRAINING MONEY, HOWEVER, WE WOULD ALSO LIKE TO SEE FUNDING SUPPORT FOR THE DEVELOPMENT OF ENRICHMENT PROGRAMS TO DEAL WITH THIS DIFFICULT, SEVERELY ACTING-OUT POPULATION. CURRENTLY, WE DO NOT HAVE RESOURCES TO ADEQUATELY MEET THE NEEDS OF THIS POPULATION.

CURRENTLY, IN NEW YORK CITY, SSC AND THE AGENCIES THAT WE CONTRACT WITH HAVE A NUMBER OF TRAINING PROGRAMS; OVER $3 MILLION IN OUR BUDGET IS NOW COMMITTED FOR CHILD WELFARE TRAINING.

FINALLY, WE ARE PLEASED TO SEE THE MOYNIHAN BILL ADDRESSING THE ISSUE OF POST ADOPTIVE SERVICES AND COUNSELING, AND PROVIDING FEDERAL FUNDS FOR THOSE SERVICES.

THE HARDEST TASK FOR AN ADOPTIVE FAMILY AFTER THE ADOPTION IS FINALIZED IS TO MAINTAIN THE ADOPTION AND TO BE ABLE TO HANDLE ANY PROBLEMS THAT ARISE WITHOUT DISRUPTING THE FAMILY. THE PROVISION OF POST-ADOPTIVE COUNSELLING TO ADOPTIVE FAMILIES WILL HELP MAINTAIN AND STRENGTHEN SUCH FAMILIES, PREVENTING ADOPTION DISRUPTION IN SOME CASES.

WE RECOGNIZE THE NEED FOR MORE INTENSIVE SERVICES OVER THE LONG TERM FOR THESE FAMILIES AND WE WELCOME FEDERAL PARTICIPATION IN THIS EFFORT.

OVER THE PAST SEVERAL YEARS, BOTH SSC AND THE VOLUNTARY NON-PROFIT AGENCIES HAVE EXPERIENCED DISRUPTIONS IN ADOPTIVE FAMILIES, WHICH HAVE TRAUMATIZED THE FAMILY AND SENT THE ADOPTED CHILD BACK INTO CARE. WITH THE PROPOSING OF POST-ADOPTIVE COUNSELLING SERVICES, ALL ADOPTIVE FAMILIES AND THEIR ADOPTED CHILDREN WILL RECEIVE THE NECESSARY SERVICES TO HELP WORK OUT THE ADOPTIVE FAMILY'S PROBLEMS AND MAINTAIN THEM AS A FAMILY.

LET ME NOW TURN TO THE PROVISIONS OF THE ADMINISTRATION'S BILL, WHICH HAS BEEN INTRODUCED BY SENATOR ARMSTRONG AS S.1266. WHILE WE ARE SUPPORTIVE OF TWO OF ITS PROVISIONS, CLARIFICATION OF THE MEDICAID ELIGIBILITY FOR SPECIAL NEEDS ADOPTIVE CHILDREN AND MAKING FEDERAL FUNDING FOR VOLUNTARY FOSTER CARE PERMANENT, WE VIEW THE REST OF THE BILL WITH SERIOUS CONCERN. THIS LEGISLATION WOULD SERIOUSLY UNDERMINE THE WELL THOUGHT OUT SYSTEM OF CHILD WELFARE REFORM EMBODIED IN P.L.96-272, A SYSTEM WHEREBY INCREASED SERVICES PROVIDE ALTERNATIVES TO FOSTER CARE AND THE RESULTANT REDUCTION IN THE UTILIZATION OF FOSTER CARE IN TURN PROVIDES ADDITIONAL SERVICE DOLLARS. COUPLED WITH ADOPTION ASSISTANCE THIS BRILLIANTLY SIMPLE CONCEPT IS THE ENGINE OF THE CHILD WELFARE REFORM SYSTEM. JUST WHEN WE HAVE THE SYSTEM ROLLING ALONG AT A SOUND PACE THE ADMINISTRATION PROPOSES TO DERAIL THE TRAIN. THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT IS ONE OF THE MOST PRO-FAMILY PIECES OF LEGISLATION TO BE ENACTED SINCE THE ORIGINAL SOCIAL SECURITY ACT.

S.1266 WOULD PERMANENTLY CAP FEDERAL FOSTER CARE EXPENDITURES, THEREBY TURNING FOSTER CARE INTO A BLOCK GRANT ELIMINATING THE INDIVIDUAL ENTITLEMENT TO CARE FOR POOR CHILDREN AT RISK WITHOUT THE ASSURANCE OF ADEQUATE FEDERAL FUNDING FOR SERVICE ALTERNATIVES. IT WOULD DO THIS EXPLICITLY IN FY 1986 BY CAPPING FEDERAL EXPENDITURES AT THE FY 1985 LEVEL. WE ESTIMATE THAT THIS PROVISION ALONE WOULD COST US OVER $4 MILLION IN FY 1986. MOREOVER, BY LOWERING THE IV-B FUNDING TRIGGER FOR A NATIONWIDE CAP FROM $266 MILLION TO $200 MILLION, IT WOULD ENSURE THAT THIS CAP WOULD BE IMPOSED IN FUTURE YEARS WITHOUT EVER REALIZING ADEQUATE SERVICE FUNDING. NEW YORK CITY VIEWS THESE PROVISIONS SIMPLY AS A MECHANISM TO SHIFT COSTS TO THE STATES AND LOCALITIES, WHO, UNDER CURRENT LAW, ALREADY PROVIDE A SUBSTANTIAL CONTRIBUTION FOR FOSTER CARE ASSISTANCE PAYMENTS AND THEREFORE HAVE A FINANCIAL INCENTIVE TO KEEP COSTS DOWN. NEW YORK STATE HAS THE MINIMUM FEDERAL MATCHING PERCENTAGE FOR THESE COSTS, 50 PERCENT, AND NEW YORK CITY ITSELF PAYS 25 PERCENT OF THESE COSTS.

MOREOVER, ALTERING THE BASE YEAR FOR THE COMPUTATION OF THE STATE'S SHARE OF THE CAP FROM THE PRE-REFORM YEAR OF 1978 TO 1984 WILL ONLY SERVE TO PENALIZE THOSE STATES SUCH AS NEW YORK WHICH HAVE SUCCESSFULLY IMPLEMENTED THE ACT AND HAVE WORKED TO REDUCE THEIR FOSTER CARE POPULATIONS AND ARE ELIGIBLE TO TO TAKE ADVANTAGE OF THE IV-E TO IV-B TRANSFER PROVISIONS IN ORDER TO EXPAND SERVICES AS CONGRESS ENVISIONED. NATIONWIDE PROJECTIONS INDICATE THAT THE AVERAGE MONTHLY NUMBER OF AFDC FOSTER CARE CHILDREN WILL HAVE DECLINED BY OVER 6,000 FROM FY 1981 TO 1985. ALMOST 60 PERCENT OF THAT DECLINE IS THE RESULT OF DECLINING LEVELS IN NEW YORK STATE, DESPITE THE FACT THAT THE STATE IS ESTIMATED TO HAVE ONLY 16 PERCENT OF THE CASELOAD IN FY 1985. THUS, ALTHOUGH WE HAVE BEEN IN THE FOREFRONT OF THESE EFFORTS, WE WOULD END UP WITH A LOWER CAP RELATIVE TO THOSE STATES THAT HAVE NOT MADE EFFORTS TO IMPLEMENT THE REFORMS OF THE ACT.

DESPITE THIS, WE FEEL THAT WE ARE APPROACHING A POINT WHERE OUR CASELOAD IS GOING TO BEGIN TO LEVEL OFF. OUR APRIL 1985 FIGURE OF 16,800 CHILDREN IN ACTIVE FOSTER CARE IS ONLY 2 PERCENT BELOW APRIL 1984, LESS THAN THE 5.5 PERCENT AVERAGE ANNUAL DECLINE REGISTERED THROUGHOUT THE EARLY 1980'S. MOREOVER, FOSTER CARE IS A CRITICAL SERVICE FOR CHILDREN AT RISK WHICH CAN NOT REALISTICALLY BE REDUCED BY 3 PERCENT YEAR AFTER YEAR. THEREFORE WE ARE QUITE SKEPTICAL ABOUT BONUS SYSTEMS CONDITIONED ON CONTINUALLY DECREASING LEVELS OF CHILDREN IN FOSTER CARE, AS THE ADMINISTRATION BILL PROVIDES FOR.

FINALLY, LOWERING THE IV-B TRIGGER FOR THE NATIONAL CAP WOULD UNDERMINE A CRITICAL COMPONENT OF THE REFORMS ENACTED IN P.L. 96-272. BY TYING A NATIONAL CAP ON FOSTER CARE WITH THE $266 MILLION ADVANCE APPROPRIATION FOR IV-B, CONGRESS WAS PROMISING THAT THE CAP WOULD NOT GO INTO EFFECT UNTIL THE STATES HAD SUFFICIENT SERVICE DOLLARS TO BE ABLE TO APPROPRIATELY REDUCE FOSTER CARE UTILIZATION WITHOUT LEAVING OR RETURNING CHILDREN TO UNSAFE ENVIRONMENTS. MOREOVER, IT SHOULD BE REMEMBERED THAT P.L. 96-272 ALSO CONTEMPLATED TITLE XX FUNDING SOME $600 MILLION HIGHER THAN CURRENT LEVELS. SETTING THAT TRIGGER AT $200 MILLION, THE CURRENT APPROPRIATION AMOUNT FOR IV-B, EFFECTIVELY DESTROYS THAT ORIGINAL PROMISE.

IN CLOSING, LET ME ONCE AGAIN THANK THE COMMITTEE FOR THIS OPPORTUNITY TO TESTIFY TODAY AND URGE YOU TO CAREFULLY CONSIDER POSITIVE REFORMS IN THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980. THE PROGRAMS THAT ARE THE SUBJECT OF THIS HEARING HAVE PROVIDED IMMEASURABLE HELP TO THOUSANDS OF CHILDREN AND FAMILIES IN TROUBLE IN NEW YORK CITY OVER THE YEARS, AND WE DO NOT WANT TO SEE THE VITAL SERVICE NEEDS OF THIS POPULATION JEOPARDIZED.

Senator **Armstrong**. Senator Moynihan.

Senator **Moynihan**. Mr. Chairman, I think we've had extraordinarily good testimony from extraordinary people.

Senator **Armstrong**. After the complimentary comments that have been made about your bill, I can scarcely——

[Laughter.]

Senator **Moynihan**. I didn't say anything about their pertinency. I just said they were good people. [Laughter.]

I wonder if Mr. Blatner would have the goodness to let us have that New Jersey report for the record.

Mr. **Blatner**. Certainly.

[The information from Mr. Blatner follows:]

ABANDONED DREAMS:

New Jersey's Children in Crisis

This report is the result of a collaborative project of the:

Association for Children of New Jersey
Junior Leagues of New Jersey
Governor's Committee on Children's Services Planning

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Association for Children of New Jersey
Junior Leagues of New Jersey

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This is a book about children living in New Jersey at this very moment. It is not an attractive story, but neither is it hopeless. In it we present facts about the state's forgotten children, the children living silently among us, waiting, as children do, for a grown-up to make everything all right. We present it with the belief that each of us, individually, and all of us, collectively, can live up to that trust.

To a large extent, New Jersey is a state we can be proud of. Through the years we have often been in the forefront in providing innovative programs and services to educate, aid and protect our children. But a great deal more must be done. Hundreds of thousands of children remain in our towns and neighborhoods who are hungry, illiterate, abused, poor, without hope.

In this book, we have been able to present only some of the more serious areas where New Jersey children are most at risk. Many other conditions and issues face our children, jeopardize their physical and emotional well-being, but we feel that this serves as a beginning. A great deal more needs to be done to concisely research and document the cause and extent of problems threatening children and families today.

There are already leaders and concerned citizens working to address some of the issues raised. Most of these issues, however, are complex and interwoven. Only with determined commitment to the children and future of the state, and cooperative hard work can we begin to address these problems.

What we choose to do or not to do for these children becomes a true mirror for our own lives. Our actions mirror clearly the kind of people and the type of state that we are today. They, not words and speeches, show whether our concern is real or rhetorical. And our actions are truly a mold for our future — for the dreams of our children depend on the life we offer to them today, but what our world will become depends on their dreams.

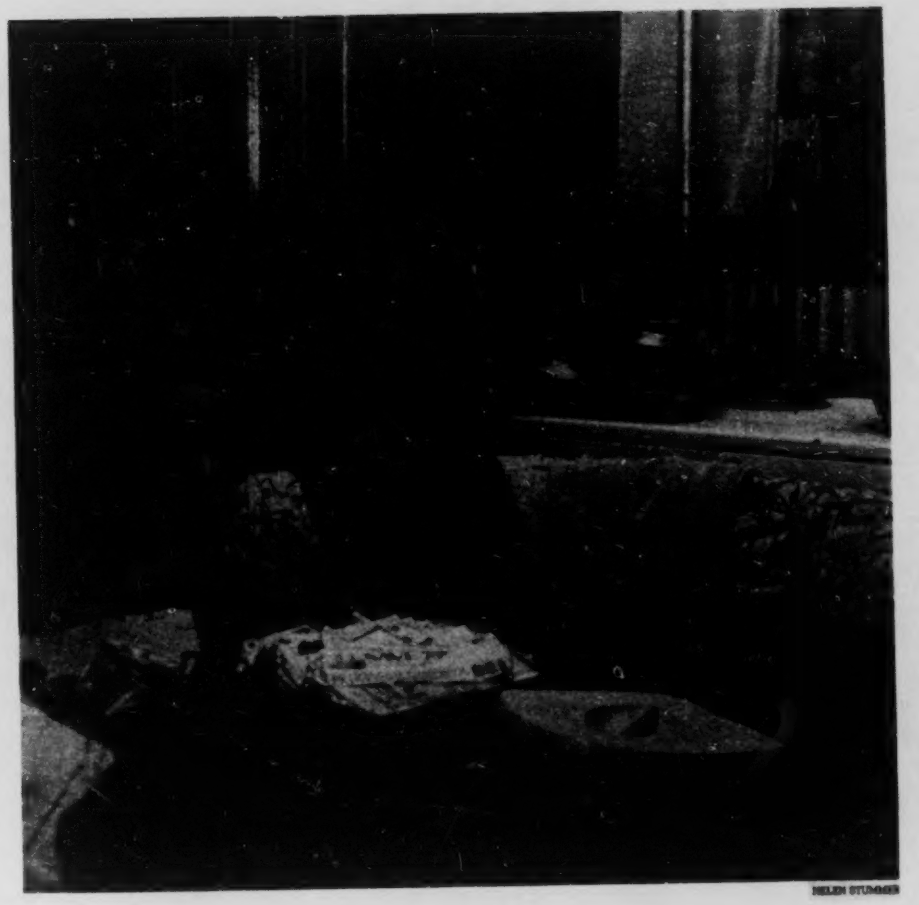
We believe there are solutions. We believe that working together all of us can find those solutions and put them to work. We believe that New Jersey is vastly capable and equally responsible for taking care of its own. And we hope that with each of you reading this book and taking some action, there will be no more forgotten children, no more abandoned dreams in New Jersey. ■

One of every four people living in New Jersey is a child.*

- There are over 1,992,000 children living in New Jersey, representing more than a quarter of the population.
- One-third of these children (about 650,000) are six years old or younger.
- One-quarter of New Jersey's children are of a non-white background. The state's children represent a great diversity in cultural, ethnic and racial background; about 17% are Black, almost 9% are Hispanic, and a growing percentage are Asian.

*In this booklet a child is defined as aged 17 and under, unless described otherwise.

SOURCES:
1980 Census of Population and Housing: *Advance Estimates of Social, Economic and Housing Characteristics, New Jersey.*



HELEN STUMMER

Children represent 40% of the poor people in New Jersey.

In New Jersey, non-white children are four times more likely to live in poverty than are white children.

- Children represent only 27% of the total population, yet they represent close to half (277,000) of the people living in poverty.
- The proportion of children living in poverty has been rising. Between 1970 and 1980 the percentage rose from 10% to 14%. For children under age 5, the rate rose even higher: to 17%.
- In this state, 37% of the Hispanic children, 35% of the black children and 8% of the white children live below the poverty level.

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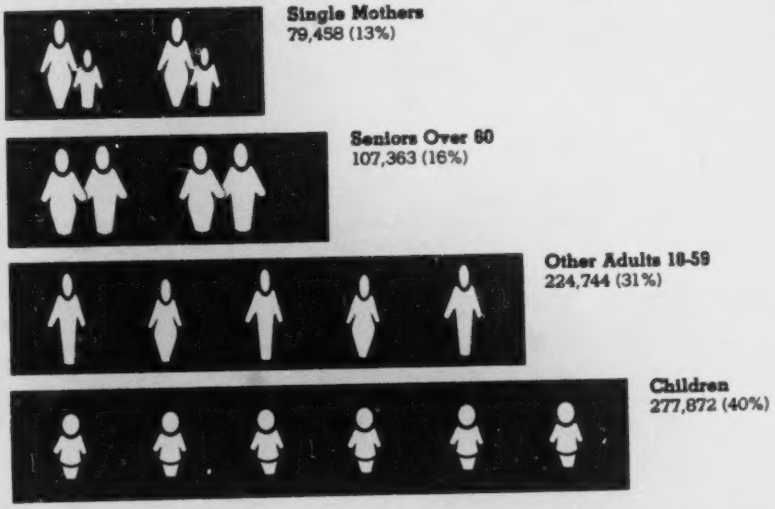
*Poverty is based on the official Federal Poverty Level Guideline. For example, the current guideline for a parent with two children is $8,460, and $10,200 for a family of four. A family with less income is considered poor. Since these levels are set nationally they don't take into consideration the high costs of living for states like New Jersey.

SOURCES:
1980 Census of Population and Housing: *Advance Estimates of Social, Economic and Housing Characteristics, New Jersey.*
1980 Census: *General, Social and Economic Characteristics, New Jersey.*

Who are the individuals who are poor in New Jersey?



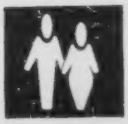
Number of
All Persons in
Poverty: 689,437

Families with children are four times more likely than other families to be poor.

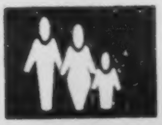
- Families with children under 18 make up 50% of all New Jersey families, but they make up 80% of all *poor* families in the state.
- Minority families with children in New Jersey are over four times more likely than white families with children to be poor. Almost 30% of all black families and 21% of all Hispanic families with children live in poverty as compared to 7% of the white families with children.
- Contrary to popular belief most poor families do not have large numbers of children. In New Jersey, the average family size is 3⅓ people. The average size of a poor family is 3½ people.

SOURCES:
1980 Census: *General, Social and Economic Characteristics, New Jersey.*
1980 Census of Population and Housing: *Advance Estimates of Social, Economic and Housing Characteristics, New Jersey.*

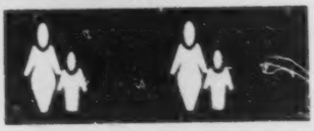
What kinds of families are poor in New Jersey?



**Without Children
Or With Children Over 17
21%**



**With 2 Parents
Or Single Father
And Children Age
17 or Younger
26%**



**With Single Mother
And Children Age
17 or Younger
54%**

**Number of
All Families in
Poverty: 147,964**

More than 260,000 children in New Jersey receive assistance from Aid to Families with Dependent Children (AFDC) each month.

- More than 10% of the children living in New Jersey depend on AFDC financial support for their food, housing, heat and clothing needs. The maximum AFDC grant level is currently 25% below the poverty level.
- A family of four receiving the *maximum* AFDC grant gets only $443 a month. Even with their full food-stamp allotment of $183, this family has less than 60% of the minimum cost of living in New Jersey.
- The cost of living in New Jersey has increased by over 130% in the past ten years, but AFDC payments have increased by only 33% during the same period. This includes a 7% increase in AFDC payments in 1984.

SOURCES:
New Jersey Division of Public Welfare, Bureau of Management Services, Trenton, N.J., 1983.
New Jersey Register, 16 NJR 828 and 830, April 16, 1984.
Through the Safety Net, S. Geisman, T. Fagan, P. Deignan, Association for Children of New Jersey, Newark, 1983.

More than 50,000 poor children lost AFDC support in 1982.

■ Thousands of poor children in New Jersey are no longer receiving any assistance from AFDC because of the federal eligibility changes and budget cuts of 1981.

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Camden and Newark are the poorest cities in the United States.

- New Jersey is the fourth highest state in the country in per capita income. But a disproportionate number of our cities are among the poorest in the nation. Camden is the poorest city in the country with a population over 25,000. Newark is the poorest city with a population over 100,000. Most of our urban areas share this plight.

- There are over 100,000 children living in Newark. More than half of them are living in poverty.

- 93.1% of the more than 24,000 families with children headed by single mothers in Newark live below the poverty line.

SOURCES:
Poverty Rate and Persons in 1979 and 1969 in Cities with a 1980 Population of 100,000 or More, and . . . with 1980 Population of 25,000 or More, 1980 and 1970 Census.
Linking Policy With Need, B.A. Larson and C. Kossbach, N.J. Commission on Children's Services, Trenton, N.J. 1982.
Census Profile: City of Newark, N.J., from 1970 and 1980 Census.

BILL MAY

Almost half of the children in families headed by single mothers are poor.

One-fifth of New Jersey's children live in one parent families.

- Over 43% of all children in one-parent families are living in poverty. Over 60% of all children under 6 years of age in one-parent families are poor.

- Nearly 79,500 single mothers in New Jersey are raising their children in poverty.

- Between 1970 and 1980, the number of one-parent families headed by women in New Jersey increased 250%. In 1970 only 7% of the children lived with their mothers alone. By 1980, 18% were living with a single mother — over 358,500 children. Two percent of the state's children live with single fathers.

- Of the children living with single mothers, 46% are black, 30% are Hispanic and 12.5% are white.

- Minority families headed by single women are 5 times more likely to be poor than minority families with both parents at home.

- The National Conference of State Legislatures projects that if current trends continue, mothers and their children will make up almost 100% of the poverty population by the year 2000.

SOURCES:
1970 Census: *General, Social and Economic Characteristics, New Jersey*
1980 Census of Population and Housing: *Advance Estimates of Social, Economic and Housing Characteristics, New Jersey*
1980 Census: *General, Social and Economic Characteristics, New Jersey*
National Conference of State Legislatures, *Information Release No.* 9, July, 1983

POLLY BROWN

Over one-half of all New Jersey women with children work outside the home.

- In this state, over 53% of all mothers are now working outside of their home.
- The number of working mothers is increasing steadily. Between 1970 and 1980 there was a 35% increase in the number of working mothers.
- Three out of 5 mothers with children older than 6 years of age and almost 4 out of 10 mothers with children *under* 6 years of age, work outside of the home.

SOURCE:
1980 Census of Population and Housing: *Advanced Estimates of Social, Economic and Housing Characteristics*, New Jersey
Child Care Fact Sheet — No. 5, N.J. Division on Women, 1982

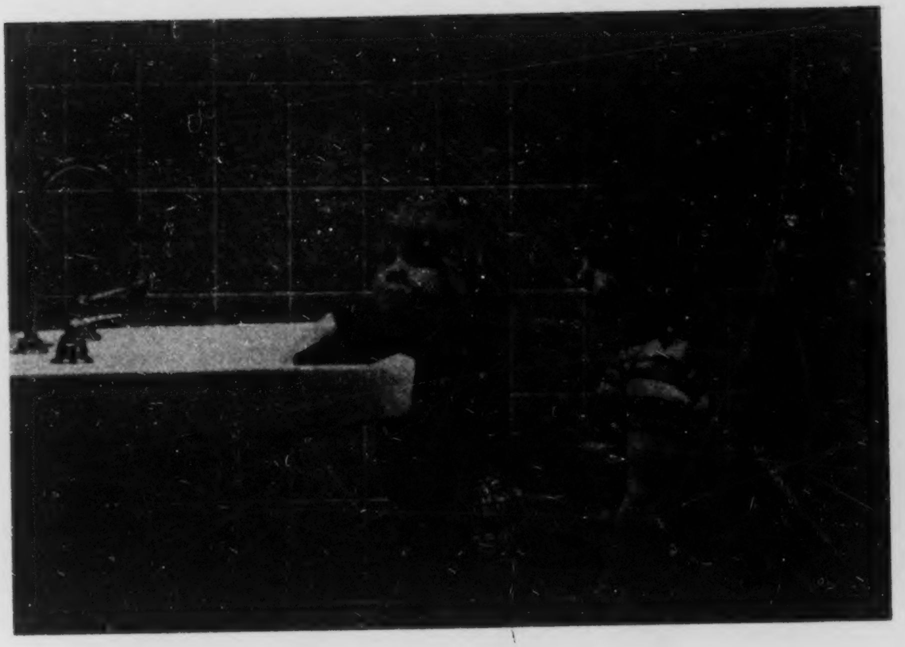
New Jersey has known child care facilities for fewer than 2 out of 3 children who need it.

- More than 155,300 mothers with children under the age of 6 work outside the home. All of their preschoolers and infants require child care, but officially known child care facilities exist for about 100,000 children.

- Large numbers of New Jersey children are being cared for in family day care homes (i.e., private homes that take in children through an arrangement with the parents). New Jersey is one of only 5 remaining states that does not regulate family day care homes.

- The average cost of keeping a child in a licensed child care center is currently over $200 a month. Costs of child care increased more than 10% between 1981 and 1982 alone.

SOURCES:
1981, 1982 Survey of Licensed Child Care Centers, N.J. Division of Youth and Family Services
1980 Census: *General, Social and Economic Characteristics, New Jersey*

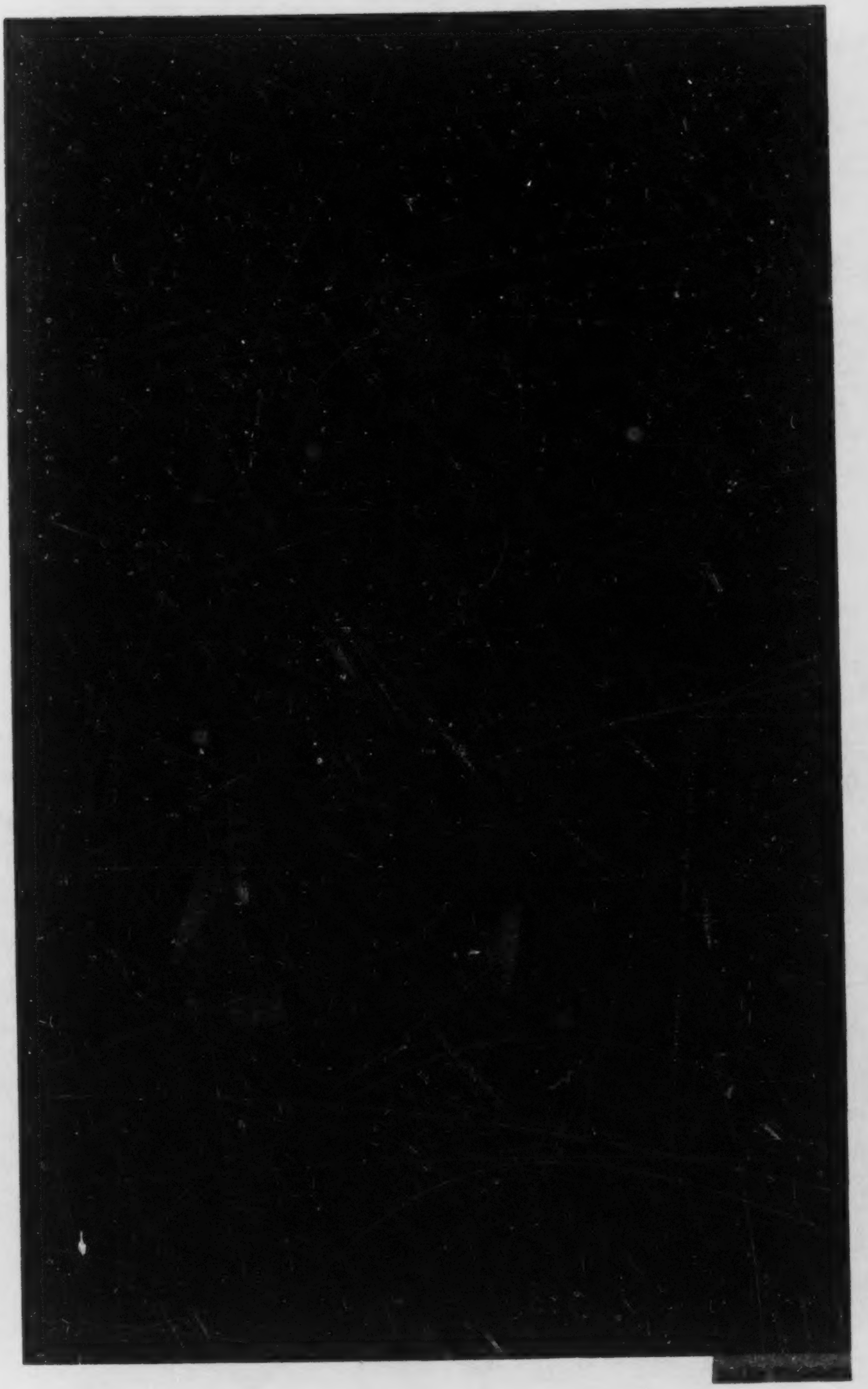


As many as a quarter of a million elementary school children in New Jersey are "latchkey" children.

- Statewide, it is estimated that at least 250,000 school children age 13 or younger must care for themselves after school while their parents work.

- Unsupervised children are more likely to be involved in delinquent behavior, and are more likely to be victims of accidents and criminal acts. They are also highly vulnerable to loneliness, fear and depression.

SOURCES:
N.J. Department of Labor, *Child Care in New Jersey*, Trenton, N.J., 1983
1980 Census: *General, Social and Economic Characteristics, New Jersey*
N.J. Educational Information and Resource Center, 1984.



Head Start programs are available for fewer than 20% of the eligible New Jersey children.

- Because of inadequate funding for the Head Start program, only 9,625 of the more than 45,000 eligible children (age 3 to 5) living in low income families in New Jersey are part of the program.

- Head Start provides educational, health, nutritional and social services for disadvantaged preschool children. To ensure family support, this program requires active parent involvement.

- Quality Head Start programs work. Children who attend these programs are less likely to drop out of school, to be arrested, or to require special education instruction later in life than are children from similar backgrounds who could not attend Head Start.

- For every $1 spent on preschool programs, more than $4 is returned to society.

SOURCES:
Federal Administration for Children, Youth and Families, New York City, August, 1984.
Lasting Effects After Preschool, U.S. Department of Health and Human Services, 1979.
Changed Lives, J.R. Berrueta-Clement, L.J. Schweinhart, W.S. Barnett, A.S. Epstein, and D.P. Weikert, Ypsilanti, Michigan: The High/Scope Press, 1984.
Governor's Committee on Children's Services Planning, 1985.

Many of New Jersey's children with the greatest need for special educational programs are not receiving adequate services.

- More children with special education needs (including bilingual and compensatory) live in low-wealth school districts than in high-wealth districts. Though low-wealth districts serve only 30% of New Jersey's students, they serve 60% of the children who require special education services.
- Despite state aid and categorical funding for special programs, low-wealth districts have more than 20% less to spend per student than wealthy districts.
- New Jersey's current educational funding system has actually widened the disparity between educational resources in low- and high-wealth school districts. Wealthy districts have more teachers, more administrators, more special projects instructors and more resources overall.

SOURCES:

Money and Education in New Jersey: The Hard Choices Ahead, Margaret E. Goertz, Education Policy Research Institute, Educational Testing Service, Princeton, 1981.

Abbott v. Burke, Docket No. C-1983-80, Superior Court of New Jersey, Chancery Division of Mercer County. Filed February 5, 1981; revised 195 N.J. Superior Court 59 (1984); No. 22-763 (argued, November 11, 1984).

Many urban schools in New Jersey are unable to provide adequate educational services for their students.

- In New Jersey, a town's property wealth remains a major factor in determining how much can be spent on education. "Property poor" urban school districts have the greatest number of children with special educational needs, but have the least funding.

- Almost half of the high school students in six urban school districts in New Jersey failed the 9th grade basic skills reading test.

- Children in New Jersey's urban high schools are almost twice as likely to drop out as those in suburban high schools.

- Urban schools do not receive sufficient funding to provide necessary programs for the high numbers of children requiring special education and bilingual education services.

- Some school buildings in the older urban school districts are unfit for occupancy. These schools have higher maintenance and heating costs, and are more likely to have hazardous asbestos surfaces.

SOURCES:
"Crisis in Public Education: A New Jersey Perspective," Marilyn Morheuser, *ACNJ Newsletter*, January, 1984.
Vital Education Statistics, 1982-83 and 1983-84, Office of Management Information, N.J. Department of Education.

As many as 80% of the school-aged Hispanic children in Newark may not be attending school.

- Funding cutbacks and relaxation of requirements for providing bilingual instruction are expected to further reduce the school attendance of these children.

- National studies show that there is a pattern of under-enrollment and high drop out rates among Hispanic children across the country. Reports indicate that there are many schools that are failing to meet the educational needs of these children.

ESTELLE KOSSIN

SOURCES:
N.J. Department of Education, Testimony presented before the N.J. Governor's Commission on Children's Services, May, 1981.
National Commission on Secondary Education for Hispanics, *Make Something Happen*, Hispanic Policy Development Project, Inc., N.Y. 1984.

More than 84,000 children have been suspended from public schools in New Jersey every year since 1977.

Non-white children are more likely to be suspended than are white children.

- Though the number of children in public schools has been declining, the rate of suspensions has increased. For the school year 1981-82, 87,000 or 7.4% of the children were suspended at least once.

- Though minority children represent only 27% of children in public school, they make up 37% of the children who are suspended.

- Discriminatory practices of school officials, rather than the behavior of minority children, appears to account for the disproportionate suspension rates for these children.

- More often than not, suspensions are for minor offenses such as chewing gum, being late, playing hooky or smoking in school.

SOURCES:
New Jersey Department of Education, Office of Management Information, September, 1983.
School Suspensions — Are They Helping Children?, M.W. Edelman, Cambridge, Mass., Children's Defense Fund, 1975.
Stephen Eisdorfer, Assistant Deputy Public Advocate, Testimony before the New Jersey Commission on Children's Services Planning, September 21, 1981.
"Characteristics of Suspended Students," C. Yorkievitz and M. Flynn, an unpublished report of the Project for Fair Administration of Student Discipline, University of Michigan, 1977.

HELEN STUMMER

More than 16,000 children are known to have dropped out of New Jersey public schools during the 1982-1983 school year.

Non-white students are more likely to drop out than are white students.

- Children in New Jersey drop out for a variety of reasons. More than 25% leave school because of economic pressures. Over 40% of the children drop out because of academic and/or behavioral problems.

- In New Jersey's urban high schools, the drop-out rate is about 50%.

- During the 1982-1983 school year only 30% of the high school students enrolled in New Jersey were minority children. During that same period almost 45% of the drop-outs were minority children.

SOURCES:
Vital Educational Statistics, 1982-83, Vol. 1, and *1983-84*, Vol. 1, New Jersey State Department of Education.
"Crisis in Public Education: A New Jersey Perspective," M.J. Morhauser, *ACNJ Newsletter*, January, 1984.

ESTELLE KOBRIN

Jobs exist in New Jersey, but not enough youth are trained to fill them.

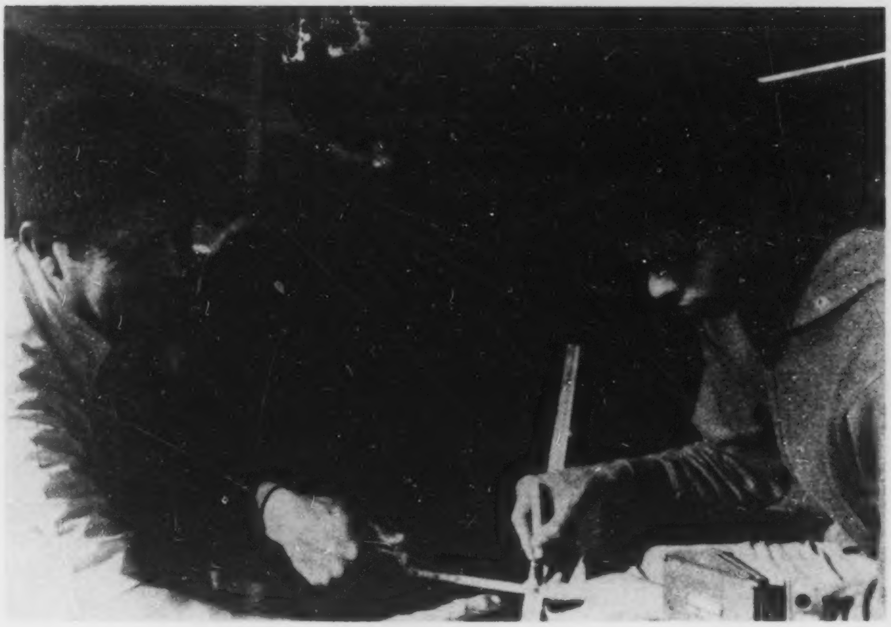
- Close to 80,000 students needing vocational-technical education (vo-tech) are not receiving it.
- In New Jersey, hundreds of youngsters are turned away by county vo-tech schools every year. Most public high schools are not equipped to provide comparable vocational training.
- The New Jersey Department of Labor reports that current demand for employees trained in traditional vo-tech program areas is twice the number of available, trained workers.

SOURCES:

N.J. State Department of Education, 1980.

"Crisis in Public Education: A New Jersey Perspective," M.J. Morheuser, *ACNJ Newsletter*, January, 1984.

An Urban Initiative, Commissioner Saul Cooperman, et. al., N.J. Department of Education, March, 1984.



New Jersey has no law providing for the education of the children in county shelters and detention centers.

- Every day, about 700 children, many of whom are not guilty of any crime, are sheltered or detained in county facilities. Many of these children remain in a facility for weeks at a time. Some remain for a year or more. New Jersey does not require educational services for these children.

- Most of these children have greater-than-average educational needs. They are usually three to five years below grade level in basic skills, often have learning disabilities and most have a history of problems and failure in public schools.

SOURCES:

N.J. Senate Education Committee, Testimony before the Senate on bill S-1282, May 14, 1984

N.J. Department of Corrections, January, 1984

N.J. Department of Education, Commissioner's *Annual Report, 1983*

Governor's Committee on Children's Services Planning, June, 1984

At least 4,000 troubled children are placed in state facilities each year.

- State funding for educational services for these children in psychiatric, residential and correctional facilities is much lower than that provided to the children in local public schools. Inadequate funding prevents these children from getting the special education that most of them need.
- Most children in correctional facilities have learning disabilities, but New Jersey provides no special funding for the necessary remedial education.

94,500 fewer school lunches are served daily since federal budget changes in 1981.

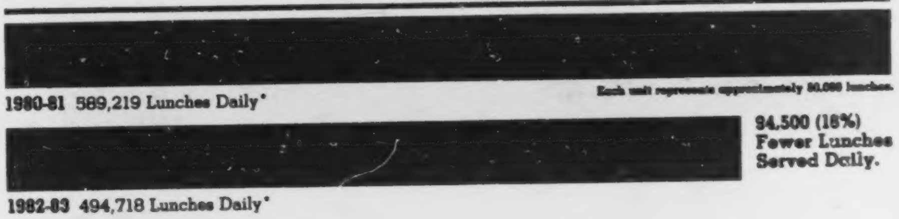
■ All school-based child nutrition programs have been cut drastically since 1980. Daily breakfasts offered to very poor children have been reduced by 37%. An average of 8,339 fewer daily breakfasts are served than were served in 1980 under this program.

■ All school children are affected. Due to the federal and state cuts, not only were subsidized lunches cut back, but the cost of all school lunches was also increased. Almost 20% fewer paid lunches are served today than were served prior to the cutbacks.

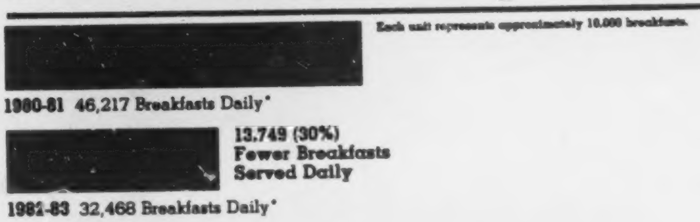
■ The special milk program was almost completely eliminated in 1981 when new federal regulations required schools to choose between providing either the school lunch program or the special milk program. Formerly schools could participate in both programs.

SOURCE:
New Jersey Department of Education, Division of Finance, Bureau of Child Nutrition Programs, 1983.

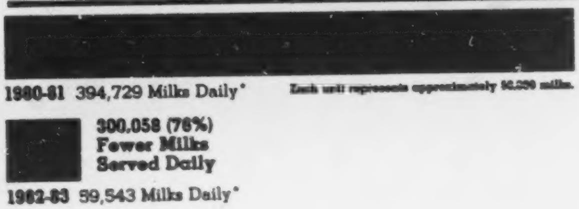
School lunch programs



School breakfast programs



Special milk program



*Numbers are based on average daily participation.

Only 35% of the eligible babies, young children and pregnant women receive the nutritional counseling and food available through the W.I.C. Program.

- Fewer than 58,000 of the more than 168,000 children and women estimated to be eligible in New Jersey receive W.I.C. services. Currently, funding is available to serve only 35% of those eligible.

- The W.I.C. (Women, Infants and Children) Program supplies food vouchers for nutritional foods such as milk, baby food and eggs. It also provides counseling in cooking, budgeting and nutrition. Pregnant women, babies and children under 5 who are poor and at risk of nutritional problems are eligible for the program.

- The health benefits of this program for pregnant mothers, their babies and children are clear. Mothers who receive W.I.C. supplements while pregnant have over 20% fewer low birthweight babies than eligible women who do not receive W.I.C. The babies born to W.I.C. mothers are healthier.

- Studies have concluded that for every $1 spent on the W.I.C. program, $3 in future medical costs are saved.

SOURCES:
Automated W.I.C. Program, Analysis of Enrollees, July, 1984; *Participation Figures,* March-May, 1984; *W.I.C. Program — Estimate of Eligibles,* July, 1984
N.J. Department of Health

Through the Safety Net, Association for Children of New Jersey, Newark, N.J., 1983

E.T. Kennedy, J. Austin and C.P. Timmer, "Cost Benefit and Cost Effectiveness of W.I.C.," unpublished paper, Harvard School of Public Health, 1982

DAN KATZ

In 1982, more than 1,150 babies died before they reached their first birthday.

Non-white babies are more than twice as likely to die before their first birthday.

- Between 1981 and 1982, New Jersey's infant mortality rate rose from 10.6 to 11.7. This was the first increase in the state's infant mortality rates in twenty years.

- The highest infant mortality rates occur in poor urban areas such as Newark, Irvington, Jersey City, Hoboken and Atlantic City.

- The infant mortality rate for the United States continues to decline. In 1982, it was 11.2 — .5 *lower* than New Jersey.

- The infant mortality rate for non-white babies in 1982 was 20.3. For white babies, it was 9.6.

- These rates reflect a disturbing pattern. For over 20 years, minority babies in New Jersey have died at a rate higher than the national rate and *at least* twice as high as the rate for white babies in the state.

SOURCES:
Resident Infant, Fetal, Neonatal and Perinatal Deaths, Counties and Selected Places, New Jersey, 1981 and 1982, New Jersey Department of Health
Linking Policy With Need, Commission on Children's Services, 1982
Infant Mortality Rate: Deaths Within the First Year of Life per 1,000, New Jersey State Department of Health, 1982

6,700 low birthweight babies were born in New Jersey in 1982.

Non-white mothers are four times less likely to receive adequate prenatal care than are white mothers.

- Low birthweight is the eighth leading cause of death among children in the United States. These babies are *30 times* more likely to die than other infants. They are also more likely to be sickly and to suffer from birth defects, growth failure and developmental disabilities.
- Minority babies are more likely to be low birthweight than non-minority. In 1982, 12.6% of all minority babies and 5% of all non-minority babies were low birthweight.
- Proper medical care during pregnancy can help reduce the incidence of low birthweight babies.
- In 1982, over 25% of the babies born to women in New Jersey who had no prenatal care were born with low birthweight. Only 8% of babies born to mothers receiving prenatal care were low birthweight.

SOURCE:
Health Planning and Resource Development, Health Data Services, New Jersey Department of Health, 1982

POLLY BROWN

More than 100,000 children from poor families do not have Medicaid coverage.

- Close to 40% of New Jersey's children known to be living in poverty are not covered by Medicaid. Thousands of children do not receive necessary medical or dental care because their parents cannot afford to pay for these services, and they have no other medical coverage.

- More than 18,500 fewer children received Medicaid coverage in 1982 because of 1981 Federal regulation changes.

- Every year about 3,000 pregnant women living in poverty do not receive adequate prenatal care because they are not eligible for Medicaid, and have no other medical coverage.

- It is relatively inexpensive to provide Medicaid coverage for children. In New Jersey, though children represent over half of the Medicaid recipients, only 15% of the Medicaid funds are spent on them.

SOURCES:

Health Care Finance Administration, Office of Financial and Actuarial Analysis, 1980, 1981, 1982 and 1983

Medicaid State Report: New Jersey, 1982, American Academy of Pediatrics, Department of Health Services Research for the Committee on Child Health Financing, February, 1984

Bureau of Statistics, Department of Medical Assistance, N.J. Department of Human Services

Through the Safety Net, Association for Children of New Jersey, Newark, N.J., 1983

Fewer than 11% of the eligible children take part in the preventive screenings and follow-up health services of Medicaid.

- Children from low-income families are 350% more likely to be found to be in fair to poor health than those from high-income families. Poor nutrition, unsafe living conditions, and lack of adequate medical attention are some of the factors which contribute to a poor child having more health problems than others.

- Medicaid's Early Periodic Screening Diagnosis and Treatment (E.P.S.D.T.) successfully provides preventive health screenings for Medicaid eligible children. The program reduces serious illness and overall medical costs among the children who participate.

- In 1979, New Jersey provided preventive screenings to 11.6% of the eligible children, and was ranked 36 out of 45 states (with the No. 1 state providing services to the greatest number of eligible children). Today New Jersey has declined even further, with .7% *fewer* children being screened than were screened in 1979.

SOURCES:

Medicaid State Report: New Jersey, 1982, American Academy of Pediatrics, Department of Health Services Research for the Committee on Child Health Financing, January 1984.

The Report of the Select Panel for the Promotion of Child Health, Vol. 3, A Statistical Profile, M.G. Kovar and D.J. Meny, Department of Health and Human Services, Washington, D.C., 1981.

"Children and Health Care: The Myth of Equal Access," D.B. Dutton; "Child Health Professionals: Supply, Training and Practices," P. Budetti, M. McManus, S. Stenmark and L. Leroy, from: *The Report of the Select Panel for the Promotion of Child Health, Vol. 4, Background Papers*, Department of Health and Human Services, Washington, D.C., 1981.

Almost a quarter of a million children in New Jersey are at high risk of lead poisoning.

- New Jersey has some of the highest rates of lead poisoning reported in the nation. Some localities report a rate five times higher than the national average.
- Lead poisoning is believed to be the leading childhood disease in New Jersey today. Lead poisoning causes anemia, mental retardation, paralysis and even death. Low level lead poisoning can cause irreparable damage to a child's capacity to learn in school, or, in later years, to work on a job.
- Though identification of lead poisoning can lead to effective treatment, New Jersey screens fewer than 20% of the children in the state identified as being at *high* risk of poisoning.

SOURCES:
New Jersey Lead Poisoning Statistical Summary, 1980 and 1982.
Maternal and Child Health Services Block Grant Testimony, 1983 and 1984, N.J. Department of Health.
Governor's Committee on Children's Services Planning, 1984.

HELEN STUMMER

At least 18 children died as a result of child abuse in 1983.

26,400 children were the reported victims of abuse and neglect in New Jersey in 1983. Estimates for 1984 show over 40,000 reported cases.

- Of the children found to be abused and neglected in New Jersey, almost 25% require hospitalization, medical care or immediate psychiatric attention because of the severity of the abuse/neglect which they suffer.
- The number of reports of abused and neglected children has risen dramatically in recent years. Between 1982 and 1983, alone, the reported number of abused and neglected children increased by 31%. Over one-third of those reports are substantiated by the Division of Youth and Family Services (DYFS) each year.
- Abused children suffer from punishment that ranges from beating and emotional abuse, to burning and stabbing.
- In 1983, more than 900 children were known to have been sexually abused by an adult. More than 4,000 children were victims of neglect. At least 118 children were totally abandoned.

SOURCE:
Child Abuse and Neglect in New Jersey Incidence Per County in 1983, New Jersey Department of Human Services, Division of Youth and Family Services, 1984

SANDY MADEIFF

More than 6,500 New Jersey children live in foster homes.

There is a direct link between poverty and placement of a child out of his or her own home.

- More than 68% of the children in foster homes have been out of their natural homes for a year or more. Over 30% have been away from their families for more than three years. In New Jersey, once a child is in foster care, he or she will live out of his or her natural home for an average of three years. Each child will live with at least two different foster families during that time.

- About 75% of New Jersey foster children are 5 years old or older; 40% are older than 12.

- Nationwide statistics indicate that the longer a child remains in foster care, the less likely it is that the child will ever return home. Chances of a child developing psychological and behavioral problems also increase with extended placements.

- More than 90% of the children in foster care come from families with an annual income below the poverty level. Most of their biological families depend on some form of public assistance.

- A black child is more than twice as likely to be placed in foster care as a white child.

SOURCES:
New Jersey Division of Youth and Family Services, 1984
Characteristics of DYFS Children in Residential and Foster Care, L.D. Levit, Division and Program Review, Office of Legislative Services: N.J. State Legislature, August, 1977
"Trend Analysis in Foster Care," S. Magura, *Social Work Research and Abstracts*, 1979

ESTELLE [illegible]

The State of New Jersey pays $6.26 a day for the care of a foster child. A pet owner in New Jersey pays $7.00 a day to board a dog.

- Inadequate payments and insufficient support services to foster families are directly related to the shortage of quality foster homes available to children.

SOURCES:
Annual Foster Care Board Rates, 1983, New Jersey Division of Youth and Family Services
Barriers to Permanency Planning, DYFS Caseworkers and Child Placement Review Board Speak Out, S. Byers, N. Downs, and I. Wolok, N.J. State Child Placement Advisory Council, September, 1983

Close to 2,000 children supervised by the state's four adoption resource centers are waiting to be adopted.

There are usually about 40-50 children under the state's care who are legally free and waiting to be adopted.

- In 1983, 631 children were adopted in New Jersey. About one-quarter of the children under the care of the state who are awaiting adoption are actually placed in adoptive homes each year.
- Of the 631 children who were adopted, almost 500 were adopted by their foster parents.
- There are always a number of older children with special needs who are waiting to be adopted. It is much more difficult to find a family for these children.
- It can take anywhere from a few months to several years for a child in an Adoption Resource Center to be placed for adoption. The time it takes depends on a child's age, legal status and special needs.

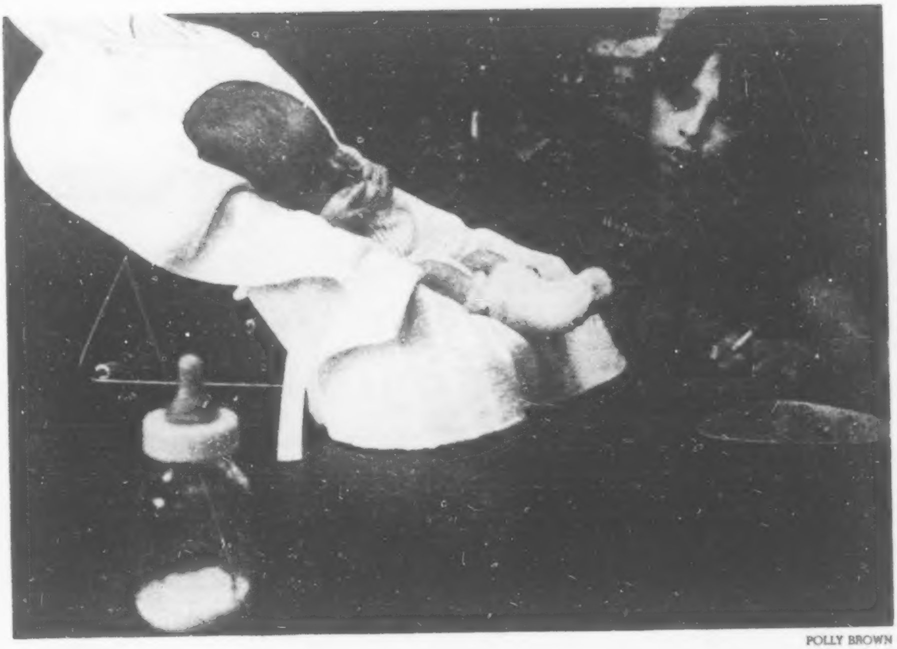
SOURCE:
Department of Human Services, Division of Youth and Family Services, 1984

HELEN STUMMER

One out of every 11 babies born in New Jersey has a teenage mother.

- In 1982, more than 11,300 babies were born in New Jersey to girls aged 19 or younger. Almost 250 of those babies had mothers aged 14 or less.
- Due to their physical and emotional lack of development, teenage mothers and their babies are at much greater risk than older women and their infants. One of every nine babies born to teenagers is likely to be premature, retarded or physically handicapped. A teenage mother in New Jersey is almost twice as likely to have a low birthweight baby as a mother in the 20 to 34 age bracket.
- Most teenage mothers who become pregnant in high school never complete their high school education.
- The younger a mother is when she has her first baby, the poorer the family is likely to be in the future.
- Nationally, more than 90% of all teenagers who have babies choose to keep them rather than release them for adoption.

SOURCES:
N.J. Department of Health, Health Planning and Resource Development, Health Data Services, 1983.
"Conceptions," Winter, 1981, Planned Parenthood.



POLLY BROWN

300,000 to 350,000 New Jersey youth use or abuse alcohol and other drugs.

There is a lack of services to prevent and treat substance abuse among young people.

- About 62,000 of New Jersey's young people have serious drinking problems, yet only three facilities in the state offer residential treatment for adolescent alcoholics.
- Approximately 54,000 to 62,000 young people in New Jersey use marijuana daily.
- Automobile accidents are the leading cause of death among adolescents in New Jersey. In recent years, 30% to 40% have been directly associated with alcohol consumption.
- Medicaid covers drug treatment for youth but only covers alcohol treatment in demonstration projects. Private insurance covers alcohol treatment but is not required to cover drug treatment.
- Every year hundreds of New Jersey adolescents are sent for alcohol and drug treatment in other states because there are not adequate services in this state. In 1983, more than 400 adolescents were sent to Pennsylvania, alone.

SOURCES:
New Jersey Action Plan for Children, Governor's Committee for Children's Services Planning, 1985
"Kids and Booze: The All-American Drug," *The Princeton Packet*, May, 1983
U.S. Congress, House Select Committee on Children, Youth and Families, *1983: A Year End Report*, 98th Congress 2nd session, 1984
Commonwealth of Pennsylvania, State Health Data Center, Division of Health Statistics and Research, May 25, 1984
Alcohol Abuse in America, The Gallup Organization, Princeton, N.J., 1982
Children of Alcoholics, R.W. Pickens, Ph.D., Hazeldon, Center City, Minn., 1984

An estimated 20% to 40% of New Jersey's children live in homes where one or both parents abuse alcohol or drugs.

- Nearly 600 infants are born each year with Fetal Alcohol Syndrome or Fetal Alcohol Effects due to the alcohol abuse of their mothers.
- Alcohol abuse in families is a major cause of child abuse, domestic violence and behavioral problems (including suicide and depression) among children.
- A child with an alcoholic parent is three to four times more likely to become an alcoholic than a child with non-alcoholic parents.

Suicide is the second highest cause of death for young people in New Jersey.

- In 1982, one hundred and eleven young people between 15 and 24 years old committed suicide. The percentage of suicides for this age group has tripled since 1950. Many mental health practitioners are concerned about what they see as a growing trend of suicide among young people.
- It is believed that the true incidence of suicide among youth is under-reported. Many so-called "fatal accidents," particularly automobile deaths among this age group, are mistakenly not listed as suicides.

SOURCES:
New Jersey Resident Deaths, Principal Causes by Age 1982 and 1981, New Jersey State Department of Health.
Through the Safety Net, Association for Children of New Jersey, Newark, N.J., 1983.
A.B. Del Bello, Lt. Governor, State of N.Y., "Suicide: America's Unspoken Tragedy," Unpublished paper, August, 1984

POLLY BROWN

New Jersey lacks adequate, appropriate mental health services for its emotionally and mentally disturbed children.

- Though identified as a "special needs" group, children are not a top priority category for state mental health funds. Currently only about 15% of the clients aided at community mental health clinics are children. Fifteen years ago about half of those receiving help were children.

- Few, if any, in- or out-patient programs are available for the state's most troubled children. Youthful substance abusers, arsonists and sexual offenders are some of the disturbed children for whom appropriate resources are not available in New Jersey.

SOURCES:
Through the Safety Net, Association for Children of New Jersey, Newark, N.J., 1983
Linking Policy With Need, Governor's Commission on Children's Services, Trenton, N.J., 1982

Almost one-quarter of New Jersey youth seeking jobs are unemployed.

■ The teenage population dropped 8.3% between 1979 and 1983, but the number of unemployed teenagers rose to 22.5% (an increase of almost 4%) during that same time period. For minority youth, especially those in urban areas, the unemployment rate is particularly high. In some cities the unemployment rate for this age group is as high as 60%.

■ Since 1981, most government-sponsored youth employment programs have been drastically reduced or eliminated, despite the fact that many juvenile justice workers cite this sort of program as being the single most effective deterrent to juvenile delinquency.

SOURCES:

Selected New Jersey Labor Force Characteristics: Youth 16-19, N.J. Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, 1983.

Urban Initiative, Commissioner Saul Cooperman, et. al., N.J. Department of Education, March, 1984.

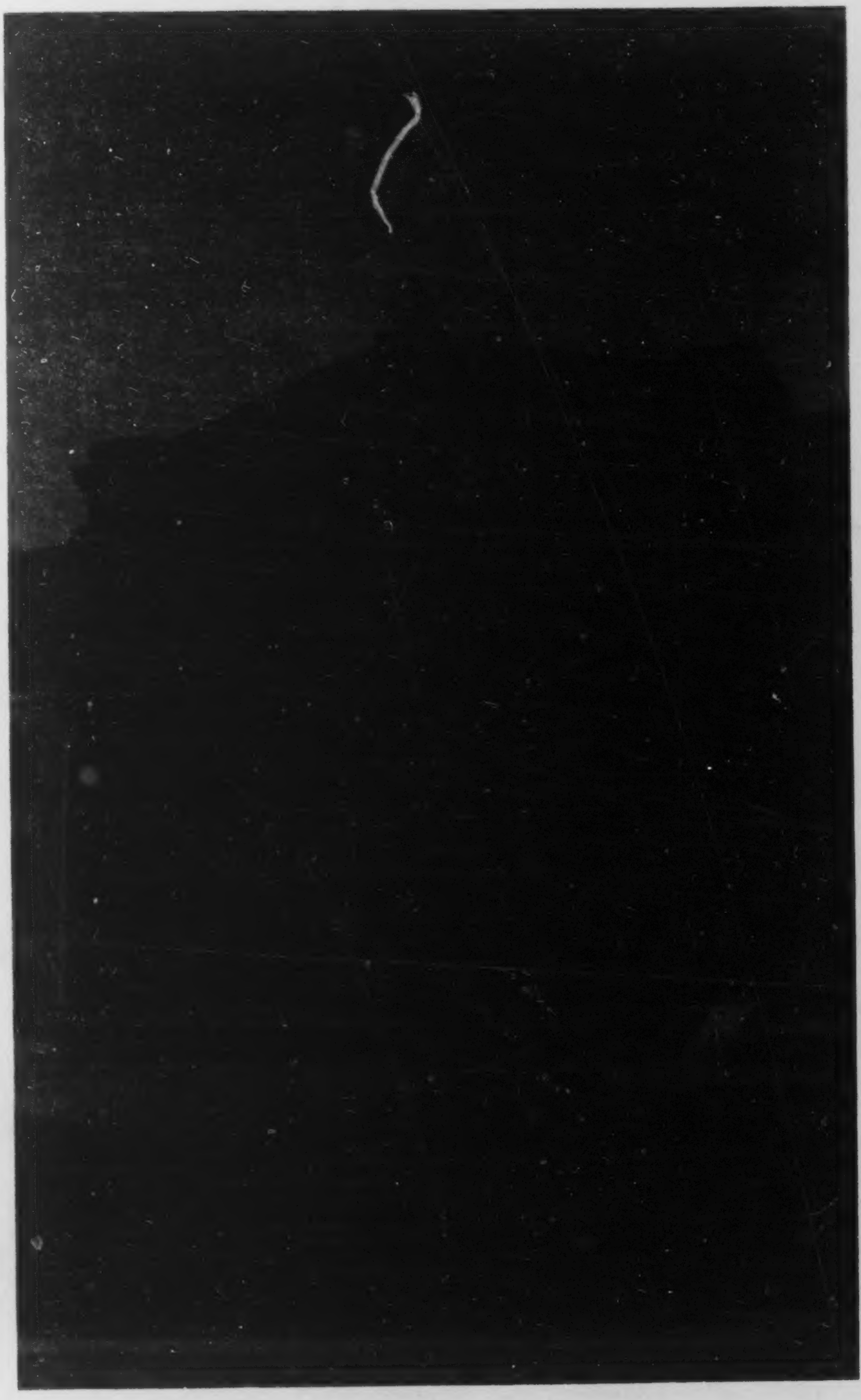
Each year, over 100,000 children are involved with the courts in New Jersey.

■ In this state, children come into contact with the juvenile justice system either as a child involved in family crisis cases (formerly, Juveniles in Need of Supervision or JINS), or as one with a criminal complaint made against him or her.

■ Juvenile crime has been decreasing steadily over the past several years. In 1980 there were about 121,000 reported offenses. In 1983 there were approximately 99,000, a decrease of 18% in three years.

■ In the same period of time (1980-1983) the average daily number of juveniles who are incarcerated (in both juvenile facilities and community residential facilities) has increased by over 30%.

SOURCES:
Uniform Crime Reports, State of New Jersey, Division of State Police, Uniform Crime Reporting Unit, 1980, 1981, 1982 and 1983.
Division of Policy and Planning, Bureau of Correctional, Information and Classification Services, New Jersey Department of Corrections, 1980, 1981, 1982 and 1983.



You can help!

- There are many active groups throughout the state who are working to help our children and families. They need your help and support. To get further information on what you can do, call or write:
- Association for Children of New Jersey, 17 Academy Street, Suite 709, Newark, New Jersey 07102, (201) 643-3876.
- Your local Junior League.
- Governor's Committee on Children's Services Planning, 105 West State Street, Trenton, New Jersey 08600, (609) 292-1343.

ASSOCIATION FOR CHILDREN OF NEW JERSEY
17 Academy Street, Suite 709
Newark, New Jersey 07102
(201) 643-3876

The Association for Children of New Jersey (ACNJ) is an organization of volunteers which advocates for policies and programs on behalf of children. ACNJ does not provide direct services. Its major goals include:

- To be a voice for families and children
- To promote policies and programs for the protection and well-being of children
- To monitor laws and programs to assure that children's needs are a priority, and that public funds are used fairly and effectively
- To plan for the needs of the next generation.

This is accomplished through a myriad of advocacy efforts including: innovative research; analysis of public policy; monitoring and evaluation of programs; provision of community education; mounting of public awareness campaigns; and mobilizing constituencies to action. ACNJ's program focuses on national, state, and local issues and concentrates its efforts on that level(s) which would be of most benefit to children.

Board President: Richard Roper
Executive Director: Ciro A. Scalera
Program Coordinators: Susan Conti, Tricia Fagan, Shirley Geismar and Cecilia Zalkind

THE JUNIOR LEAGUES OF NEW JERSEY

The purpose of the Junior League is exclusively educational and charitable. The individual Junior Leagues promote voluntarism, develop the potential of members and demonstrate the effectiveness of trained volunteers. **The State Council of the New Jersey Junior Leagues** serves as a coordinating body for and facilitates the exchange of ideas among individual leagues and supervises and supports State Committees. The **State Public Affairs Committee (SPAC)** studies and takes action on behalf of the Junior Leagues of New Jersey on public issues at the state and federal level and educates and provides communication for the leagues in the area of public affairs.

Women of the eight New Jersey Junior Leagues are trained for effective participation in community activities in the belief that voluntary service is an essential part of responsible citizenship.

Junior Leagues of Bergen County
Central Delaware Valley
Elizabeth/Plainfield
Monmouth County
Montclair/Newark
Morristown
Oranges and Short Hills
Summit

"Abandoned Dreams" Project Coordinator: Richmond Rabinowitz, SPAC Chairwoman

GOVERNOR'S COMMITTEE ON CHILDREN'S SERVICES PLANNING
105 West State Street, CN-700
Trenton, New Jersey 08625
(609) 292-1343

Governor Kean established the Governor's Committee on Children's Services Planning in 1983 to identify the priority needs of New Jersey children and to recommend actions for meeting those needs. Composed of 27 members, the Governor's Committee developed **"New Jersey's Action Plan for Children,"** which was released in May, 1984.

The Governor's Committee, which serves as a voice for children in state government, is mandated to foster improved planning and coordination of services as well as to promote cooperation between the public and private sectors in developing needed programs for children.

Chairperson:	Anna Mayer
Executive Director:	R. Alexandra Larson
Associate Director:	Carol Kasabach
Program Staff:	Qimmah Harris, John Higgins, Francita Guy

We would like to acknowledge the generosity and talent of those who contributed the photographs which are such an integral part of this report.

We are most grateful to the **United Way of Essex and West Hudson** and the **United Way of Union** who made major contributions of photographs. We are also grateful to **Beth Israel Hospital**, **University Hospital** in Newark and the **New Jersey State Departments of Community Affairs, Corrections** and **Human Services** for the photographs they donated to this project.

Most appreciated are the photographs of individual artists, whose work is the result of a real heartfelt concern for the children and families whose lives are affected by the social issues presented here.

Senator **Moynihan**. I want to tell Ms. Turner that on your subject about reporting, I'm going to make him suffer a little bit. I'm going to tell a sea story.

I was once a gunnery officer in the U.S. Navy 40 years ago, and I was on a sister ship. If you have ever been in any of these jobs, you are always sending in reports—quarterly reports on the condition of the boat, and the 40 millimeters and the 20 millimeters and et cetera. And one month, one quarter, just for the hell of it, a friend of mine said in his report that when he got to the section on the after antiaircraft mount, that it was swept over the side in a storm off Hatteras. He just sent it in. And his career in the Navy went peaceably by and he was honorably discharged. And no one ever in the Pentagon ever even got to that report to say what did you say happened to the after antiaircraft mount? Those reports don't get read.

And your point about spending too much time on them is a fair one, I think.

Ms. **Turner**. Yes. I think if we can identify—if Congress can identify, HHS can identify the specific reason that something is being requested, that we can get that information—particularly now through the system that is being set up with APWA. But I go out into the field and see our workers sitting there recording instead of serving clients.

Senator **Moynihan**. Good data.

Ms. **Turner**. Good data can be helpful.

Senator **Moynihan**. Could I just ask of Mr. Brettschneider. He made this remark about people who just go from one form of dependency to another. And I don't recognize the New York study that Dr. Allen mentioned. But a significant percentage of young girls end up within 1 year of leaving the foster care—a significant percentage of young girls end up receiving AFDC. Do you recognize this study?

Mr. **Brettschneider**. New York City's Human Resources Administration undertook a study of a demonstration project concerning the consequences and outcomes of specific services offered to homeless young adults. Also, Dr. Trudy Festinger of New York University studied the question of where youngsters go after leaving foster care.

Senator **Moynihan**. Would you get that to us?

Mr. **Brettschneider**. Certainly.

[The information from Mr. Brettschneider is in the offical committee files.]

Senator **Moynihan**. Mr. Chairman, I just don't think you can find a more dismal outcome of a long and sustained effort of the people who are mechanics and therapists and pals and workaholics and nutritionists and so forth and they get someone to 18 and then at 19 they are AFDC with a baby.

We clearly need transitional services for these children.

Senator **Armstrong**. Senator Moynihan, does that call into question the transition experience or does it call into question the quality of care and the values which have been fostered during the 2, 3, 4, 5, 6, 7 years that preceded that?

Senator **Moynihan**. I don't know. I don't know. We just know that we have something that is out of control.

Mr. **Brettschneider**. I just want to add that we have seen youngsters who come into care at age 16. I recently visited a group home that I noticed is greatly improved from its predecessor facilities. I met a youngster who was doing extremely well living in an attractive facility. But the counselor and the social worker were concerned. There is a housing crisis in New York. The child is about to turn 18. They have hardly had a chance to do anything but to help the child to adjust. And now this child is off on his or her own with no one available to provide support, perhaps until the child qualifies for the mental health system.

Senator **Moynihan**. There is no family to hold onto. No family to say "does anybody have a couch," "how do you look into advertising?" "how do you look for a house?" "what do you have to do to get an apartment?" And in no time at all they are back on the street.

Could we get that, if we could?

Mr. **Brettschneider**. Yes, sir.

Senator **Moynihan**. I just want to say again that these are children, and we owe them.

Senator **Armstrong**. Thank you, Senator.

Thank you, witnesses. Thank you all. Unless there is something else, we are adjourned.

[Whereupon, at 3:58 p.m., the hearing was concluded.]

[By direction of the chairman, the following communications were made a part of the hearing record:]

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Academy of
Pediatrics

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N.W. Suite 721 North
Washington, D.C. 20004-1703
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Buenos Aires, Argentina

July 8, 1985

1985 JUL -9 9 5

Honorable William L. Armstrong
U.S. Senator, Chairman
Social Security and Income Maintenance
  Programs Subcommittee
Committee on Finance
Washington, D.C. 20510

Dear Senator Armstrong:

The American Academy of Pediatrics, an international medical association and children's advocate representing nearly 28,000 pediatricians, wishes to submit this letter for inclusion in the record of the hearing held on Adoption Assistance and Child Welfare Act and Related Proposals, June 24, 1985.

Since its establishment in 1953, the Academy's Committee on Early Childhood, Adoption and Dependent Care has been concerned and actively involved with the issues that affect children in foster care and adoptive homes. The committee strongly supported the Adoption Assistance and Child Welfare Act of 1980 and was pleased with the passage of this landmark legislation. This act paved the way for increased adoptions of hard to place children, particularly children with special needs. We applaud the Administration's continued efforts to enact further improvements of these programs for the welfare of children. There are several different aspects of these legislative proposals; as pediatricians, we will focus our remarks on those relating to Medicaid eligibility and to foster parent and staff training.

Medicaid coverage can be a critical factor in a families' decision to adopt a special needs child. Children with special needs benefit greatly from early placement, but often have little opportunity for such a placement. The heavy cost of medical care and education required may preclude adoption by couples otherwise willing and eager to accept these children into their families. The Adoption Assistance and Child Welfare Act of 1980 eliminated some of those barriers by providing that children receiving adoption assistance payments are deemed eligible for medical assistance through the Medicaid program under Title XX in the state in which they are living. Both S.1266 and S.1329 include the following amendments offered to strengthen the program, facilitate the administrative process and to improve services for parents and children.

- Allow Medicaid eligibility for children with special needs who are placed for adoption, even though no adoption assistance payments are being made. (S.1266/S.1329)

Under current law, adoptive children remain eligible for Medicaid only so long as they receive Title IV-E adoption assistance payments. If adoptive parents choose not to accept adoption assistance payments, the child's Medicaid eligibility status should remain intact. The Academy supports this amendment as a cost savings for states and one that will eliminate the administrative burden of processing token payments.

- Confer Medicaid eligibility in the state where the child resides. (S.1266/S.1329)

The state that was party to the adoption agreement is, under the existing law, required to continue to provide for medical assistance if the family moves to another state. The Administration's proposal and S.1329 would require that children adopted under the adoption assistance program be deemed eligible to receive Medicaid in the state in which they are living. American families are highly mobile and relocate frequently for employment purposes. Many providers and hospitals are reluctant to accept their own state's Medicaid cards, much less an out of state card. The Academy is concerned about the potential for children to experience difficulty in securing access to needed medical care and treatment if there are problems with interstate Medicaid coverage. This could also be a deterrent to potential adoptive parents of special needs children. The Academy supports this amendment insuring Medicaid eligibility, regardless of where the family resides, and thus further enhancing the possibility of special needs children being placed in a permanent home.

- Provide Medicaid Eligibility to Title IV-E adoption assistance and foster care children in the state in which they reside. (S.1329)

The Academy recognizes that Title IV-E foster care children may experience difficulties receiving Medicaid benefits if their foster family moves. Obtaining needed medical care and treatment is critical for children with special needs, particularly foster care children. The Academy supports S.1329's amendment that foster care children be eligible for Medicaid in the state in which they reside.

- Provide Medicaid coverage from the time a child is placed for adoption. (S.1329)

The prevailing concern of the Academy on this issue to ensure the access to continuing medical care for special needs children. Once an adoption placement has been made, we can see no compelling reason to wait until the judicial decree of adoption has been issued to commence Medicaid eligibility. This minor administrative change would make health care available to the child and eliminate what could become an unnecessary barrier to the timely and successful placement of a special needs child. The Academy supports this amendment.

- Provide training and retraining for individuals who are maintaining or preparing to maintain foster family homes and for members of the staffs of child-care institutions. (S.1329)

The Academy supports this proposed amendment as a sensible mechanism to improve the quality of care provided to foster children. Caring for foster children can be a difficult task. Foster parents and members of the staff of any child-care institution who have responsibilities with respect to foster children must be able to recognize and deal with their special emotional needs. The Academy believes that most individuals would benefit from receiving training designed to assist them in meeting the complex needs of foster children and is in favor of these efforts to provide such training.

The Academy commends the Subcommittee for its advocacy role on behalf of children in need of permanent homes and pledges its assistance in working toward the passage and implementation of these amendments.

Sincerely,

George G. Sterne, M.D.
Chairman
Committee on Early Childhood,
  Adoption and Dependent Care

GS/resm

cc: Executive Committee
    Committee on Early Childhood,
      Adoption and Dependent Care

STATMENT OF EDWARD BRANCA, JR.
15 WESEL DRIVE
NANUET, NEW YORK, 10954
Tel. 914 623-2677

I respectfully request Congress to consider enacting legislation, possibly as an amendment to the reauthorization of P. L. 96-272, to reunite brothers and sisters who are separated by adoption or foster care, and to prevent brothers and sisters from being unnecessarily separated in future adoptions and foster care placements. More often than we would like to think, brothers and sisters have been separated, often unnecessarily, and then denied the right to ever see each other again.

While I am not an expert on social service law, I believe few states have laws on their books to grant adoptees a right of reunion with brothers and sisters they have been separated from, even in cases where siblings were adopted by different families. While I have not done any research, I would guess that few states have laws on their books to require that, whenever possible, brothers and sisters who are available for adoption, be adopted by the same family. I was told by a person who lives in Maine, that Maine only stoped separating brothers and sisters a few years ago. I regret to say that my own state of New York has not enacted a law to reunite separated siblings, even in cases where siblings who were separated as children have reached adulthood, and had been adopted by different families. A New York state bill, S4937-A/A5042-A, to require that whenever possible, brothers and sisters be adopted by the same family, has passed the state Assembly, though as of June 18th., it has not passed the state Senate. The following are some of the tragedies which have occured when brothers and sisters were separated.

During the Great Depression, a group of siblings were placed in foster homes in western New York state. One of the children, Janet, returned one day from school, to be told by an older sister, that "Baby Lillian," their sister, had been taken away by the adoption authorities. Janet Gervaise has not seen her little sister for over fifty years.

Donald Booth, whom the 1981 ABC-TV. movie, "A Long Way Home" was based, was adopted by one family; his younger brother and sister were adopted by another. Don, who, according to the movie, greatly missed his siblings, did not see them again until all were adults.

Lorrine Brewer, who grew up in North Carolina foster care, has been unable to locate or obtain identifying information on her brother and sister who were adopted. It is a misdemeanor, under North Carolina law, to disclose information contained in adoption files.

Last year, after seeing a news report on the reunion of two brothers who had been separately adopted and denied contact with each other, I called the adoptive parent of one. When I asked her why the adoption agency didn't provide the childrens' adoptive parents with each others names and addresses, so that the children could keep in contact, she told me, "they don't tell you that."

In 1983, a set of separately adopted identical triplets were reunited, at the age of fifty-seven.

The list of these tragedies could go on and on.

The International Soundex Reunion Registry, (ISRR), attempts to reunite adoption separated families by matching dates and places of birth. Emma May Vilardi, who Chairs the ISRR., states that, "Families of six to twelve children, all full siblngs, were separated by adoption and foster care. War, depressions and the death of parent(s) are common denominators in the separation of large families." According to the ISRR's. 1984 annual report, 106 people, who know they have a twin they were separated from, are registered with the ISRR., in hopes their twin will also register.

(MORE)

Page 3.

I wish to point out how information given to adoptive families by adoption agencies can be false.

The February, 1981 issue of Good Housekeeping ran an article, "The Triplets Who Found Each Other," which is the true story of the accidental reunion in September, 1980, of a set of identical triplets who had been separately adopted shortly after their birth on July 12, 1961. The article stated that, after the triplets reunion, the adoption agency they were placed by, Louise Wise Servi ces, told the triplet's adoptive parents that they were the last multiple birth babies who were separated. None of the triplet's adoptive parents had been told the children were multiple birth babies.

In May, 1985, I received a phone call from a woman who gave birth to brother-sister twins on June 23, 1969, eight years after the triplets were born. The "birthmother" surrendered the twins to Louise Wise Services. She told me that, shortly after the twins were born, she returned to Louise Wise Services, to see if the twins were being placed with the same family. Louise Wise told her that they would not attempt to place the twins together, unless prospective adoptive parents came to them requesting to adopt a set of twins. They would not ask prospective adoptive parents if they were willing to adopt a set of twins. So the twins were separated. When an adoption agency separately adopts siblings, it receives a fee from each set of adoptive parents, instead of receiving only one fee if the children are adopted by the same family. Louise Wise Services also conducted research on the effects of heredity by studying the multiple birth children it separated.

(MORE)

I have been told that Louise Wise Services separated many multiple birth babies, and has given false information to adoptees and adoptive parents.

PLAN FOR ENACTMENT OF "SIBLINGS' RIGHTS"

I have developed a plan to keep brothers and sisters together, in foster care and in adoption, and to reunite separated siblings. When I use the words "brothers," "sisters" and "siblings," I am, of course, referring to half-siblings as well as to full-siblings. I urge this plan be mandatory on states which receive federal aid for their foster care or adoption programs.

Siblings not be separated, in foster care or in adoption, unless absoulutely necessary i.e. when no family is willing or able to take all the children in a sibling group.

II That separated siblings, or, if they are minors, their legal parents, be allowed to obtain identifying information.

When siblings are minors, one (set of) parents should have a legal right to request a third party, perhaps the court, adoption agency or private organization, to contact the other (set of) parents to ask if they wish a reunion. If they agree, identifying information would be provided. If they decline, identifying information would not be provided, and the parent(s) notified of the turn down.

Adults should be allowed access to identifying information on their adult siblings without anyone's consent. (In many cases where siblings have been separated many years, the sibling won't be able to be located by the third party. Providing identifying information will help people in tracing their siblings.)

I do, though, believe it might be advisable if courts were allowed to withhold identifying information in cases where a sibling is developmentally disabled or suffering from serious mental illness. I do not believe that reunion should be denied in all such cases, as, in many such cases, brothers and sisters are the only family the person has left.

(MORE)

I urge that the right to obtain identifying information on siblings be allowed even in cases where a sibling(s) remain(ed) with the birthparent(s).

While I know revealing birthparents identity, even indirectly, is controversial, I urge that non-adopted, but separated, siblings be allowed reunion.

The Washington [state] Adoptee's Rights Movement, (WARM.), has been authorized in many of Washington's counties to act as "confidentual intermediary," to contact separated by adoption family members to ask if they wish a reunion. WARM. finds that ninety percent of the family members it contacts agree to a reunion. While I have no statistics on this, I assume that the vast majority of WARM's. intermediary contacts are on behalf of adoptees who wish to be reunited with their birthparents and vice versa. This, plus my own reading of adoption literature, as well as my own contacts with birthparents and other adoption separated and reunited people, has totally convinced me that the vast majority of birthparents wish to be reunited with surrendered children. I can only assume that, when the surrendered child has a brother or sister, the desire for a reunion is even greater.

I urge that the right to obtain identifying information apply to past adoptions and foster care placements, as well as to future cases. While I know Congress does not like to make regulations retroactive, I urge an exception be made to allow separated in the past brothers and sisters to be reunited. After all, these are cases where brothers and sisters who had nothing but each other left, were denied even each other. The information needed to reunite these siblings is locked away in a court or agency file, and denied to those, like Ms. Brewer, who need it most.

I suggest that Congress consider making the right to obtain identifying information enforceable by federal courts. Congress might wish to declare that the Constitutional protection of family relationships gives Congress the power to enact siblings' rights legislation.

(MORE)

III That prospective adoptive and foster parents be informed if the child they plan to adopt, or take in as a foster child, has sibling(s), and, if so, if they are:

a. not surrendered

b. available for adoption or foster care

c. have been adopted

The fact that Louise Wise Services, and other adoption agencies, separated multiple birth babies, without telling the children's adoptive parents, explains why this regulation is necessary.

WHY STATE ADOPTION REGISTRIES ARE NOT THE SOLUTION

I believe that state adoption registries, which are being created by state legislatures in a number of states, including New York, are not the answer to the question of how to reunite separated siblings. I believe this for the following reasons.

Brothers and sisters who are separated had no say in the decisions which separated them from one another. Therefore, the law should make it as easy as possible for siblings, particularly adult siblings, to be reunited.

Professor Thomas Bouchard, of the University of Minnesota's Psychology Department, has studied about sixty-five sets of twins and triplets who were separated early in life, and reunited as adults. Professor Bouchard has told me that, while all his subjects have not had perfect reunions, none wishes the reunion had not happened. Professor Bouchard was not involved in separating siblings. He supports reuniting families who are separated.

A person who is active in helping adoptees search for birthfamily members, has told me that she knows of only a few reunions between separated siblings which were not sucessful. I thus believe that the vast majority of separated brothers and sisters wish a reunion.

(MORE)

Page 7.

State laws which govern adoption registries require that adoptees be adults before they may register. Most, if not all, state registries do not allow adoptive parents to register their minor children. To force parents to say to their child, that he may see his brother or sister again when he is an adult, is nothing more than government mandated child cruelty.

In order to register with the New York state adoption registry, adoptees must be over the age of 21, been born and adopted in New York state, and pay a fee of at least $45.00. (No small amount to many adoptees.) For this fee, adoptees receive certain non-identifying information on their birthparents. For a "match" (reunion) to take place, one or both birthparents, as well as the adoptive parents (if living) must register. Also, more fees must be paid. The registry, by the way, is prohibited from soliciting a registration from anyone, or accepting registrations from separated siblings.

I would like to point out, that several states require or allow that amended birth certificates, which are issued to adoptees and adoptive parents (In most states, original ones are sealed), change not only the names of the adoptee's parents, but the place of the adoptee's birth. A person adopted in any of these states, might not know where he was born, and thus not know which state registry, if any, he can register with. There are also siblings who were adopted by families in different states. Not to mention siblings are separated by foster care.

The following are some of the laws Congress has, in recent years, passed, which pre-empt state authority.

The Family Educational And Privacy Act of 1974 (Buckley Amendment), which requires school districts to grant access to student's school records to parents, and to persons over the age of 18 who have left school.

(MORE)

Page 8.

The equal access provisions of the math and science education law, which require school districts to allow students to conduct religious worship in school buildings, during non-school hours.

The law which requires states to enact a minimum drinking age of 21, in order to receive their full allotment of federal highway aid.

The following states change adoptees place of birth on amended birth certificates. (Information may not be up to date.)

States where place of birth must be changed:

Kentucky

Mississippi

North Carolina

States where place of birth may be changed:

California

Georgia

Illinois

New Jersey

Wisconsin

The following are addresses and telephone numbers of organizations mentioned in testimony.

International Soundex Reunion Registry
Emma May Vilardi
Box 2312
Carson City, Nev. 89702
Tel. 702 882-6270

(MORE)

Good Housekeeping (commercial magizine)
959 8th. Avenue
New York, N. Y. 10019
Tel. 212 262-5700

Louise Wise Services
12 East 94th. Street
New York, N. Y.
Tel. 212 876-3050

Washington Adoptee's Rights Movement
220 Kirkland Avenue
Kirkland, Wash. 98033
Tel. 206 827-6680

Professor Thomas Bouchard
Minnesota Center For Twin And Adoption Research
Psychology Department
Elliott Hall
75 East River Road
University of Minnesota
Minneapolis, Minn. 55455
Tel. 612 273-6161

Respectfully submitted,

EDWARD BRANCA, JR.

Concerned United Birthparents, Inc.

July 4, 1985

Ms. Scott-Boom
Finance Committee
U.S. Senate
Washington, D.C. 20510

Dear Ms. Scott-Boom,

It is my understanding that the U.S. Senate Finance Committee is holding hearings on reauthorization of Public Law 96-272, the Adoption Assistance & Child Welfare Act of 1980. I would like to offer the following as my testimony to the way in which adoption has affected the lives of myself and others I have met in adoption reform movements.

Back in 61 when I found myself pregnant, scared and alone, I was advised by the professionals that to surrender ones child for adoption was the ONLY loving thing to do. It would be cruel to subject your child to a life of having only one parent, low income levels, along with no financial assistance. The future they painted was bleak indeed, as well as the fact that society held no place for the unwed mother or her child. The Poor Laws of England, dating back to 1597, were alive and well in the United States. Unwed mothers were being punished for the crime of getting pregnant by being coerced into surrendering her child and then banished like a criminal to never-never land for the rest of her life. To never know if her child were dead or alive, healthy or happy, or if the adoption had ever been finalized and a home provided for her first born. We were told by these professionals that we'd go on to have other children, that we could keep the birth a secret, and that we'd forget. We accepted their wisdom...and waited for the pain to go away...and to forget.

National Headquarters
595 Central Avenue
Dover, New Hampshire 03820 603-749-3744
CUB

It has not gone away, nor have I ever forgotten my first born.

One cannot imagine the pain of losing a child until they have experienced it. The movie Adam gave us an insight into the sense of loss, anger, anxiety, frustration and depression that occurs when one that we love is gone from our sight. It has been compared with a family member being a MIA or of a kidnapping victim. We live with pain, yearning, bewilderment and saddness.

Why are birthparents held in such low esteem that they should never have tne knowledge of the child they gave birth to? Don't I, as a human being have the right to know whether my child is alive or not? Why should private agencies, or agencies of the government have the right to withhold from the adult adoptee (18) knowledge of his family of birth? How can we have the nerve to tell someone 20, 30. or 50 years of age that he hasn't the right to know the name of the person who gave him life? Shouldn't every human being have the right to medical and geneological history? The most important gift in life is ones genetic link to the past, to ones history. Does anyone have the right to deny these basic charachteristics from another human being because he was raised by an adopted family? One cannot adopt anothers genetics, their family background is there at birth and cannot be changed.

As individuals we all have rights. The most basic knowledge those of us who are not adopted have is knowledge of their history---their family tree. As easily retrieved as by picking up an old family photo album or basking in the wealth of information that might flow at a family gathering or reunion. We all take our "belonging" for granted, so casually. But not others........

I have had the opportunity to meet my daughter, and to give to her my gift of love, and knowledge of her history. I have brought to her, half brothers, aunts and uncles to love her, as well as paternal grandparents. Her life if full of many loved ones. She has no more unanswered questions, she feels like a whole person. Can we understand the adoptees plight? I feel most fortunate to live in a state whereby information can be passed back and forth, and even meetings arranged at any age providing all parties are willing. I am enclosing our recently approved Post Adoption Service Rights to share with you in the hopes that it can set the example of recognizing and being sensitive to the needs of all members of the adoption triad.

I implore your committee to require states that receive federal Adoption/ Foster Aid enact open records, to not unnecessarily seperate siblings, and to allow those seperated siblings to be reunited.

Respectfully Submitted,

Sandra L. Sperrazza
Branch Coordinator, Concerned United Birthparents
4024 Quentin Avenue So.
St. Louis Park, Minnesota 55416

MINNESOTA

POST ADOPTION SERVICE RIGHTS

Birth mothers and Birth fathers (named on the original birth certificate, adjudicated, or willing to acknowledge paternity in writing) have a right to request:

1. A copy of any document they signed for the agency, including the Agreement Conferring Authority to Place Child ("surrender").
2. Non-identifying* information about the adopted person's family.
3. Updated non-identifying* information about the adopted person's placement. The adoptive parent can refuse this request on behalf of the adopted person under 19 years of age.
4. [redacted] adoptive parents can refuse this request on behalf of the adopted person under 19 years of age.
5. [redacted] The adopted person can refuse this request. The knowledge or consent of the adoptive parents is not required.
6. A copy of the original birth certificate available from the MN Department of Health, Section of Vital Statistics to the birth parents named on the original birth certificate .

Adoptive Parents have the right (for themselves or on behalf of the adopted person under 19 years of age) to request:

1. Non-identifying* information about either birth parent**.
2. Updated non-identifying* information about either birth parent**. The birth parent can refuse this request.
3. [redacted] The birth parent can refuse this request.

Adopted persons at least 19 years of age have the right to the following without the adoptive parents knowledge or consent:

1. Non-identifying* information about either birth parent**.
2. Updated non-identifying* information about either birth parent**. The birth parent can refuse this request.
3. [redacted] The birth parent can refuse this request.
4. At age 21, a copy of the original birth certificate from the MN Department of Health, Section of Vital Statistics. The birth parent(s)** named on the original birth certificate can refuse this request.

NOTE:

* Non-identifying medical, genetic or social history information.

** The birth mother and/or the birth father named on the original birth certificate, adjudicated, or having acknowledged paternity.

....

Other children at least 19 years of age born to either birth parent have a right to request:

Information about or contact with any other child born to either birth parent who is also at least 19 years of age. The other child can refuse this request. The consent of the birth parent(s) is also required if the identity of the birth parent is known to either child.

Medical Information:

The agency must make a diligent effort to transmit any information which may affect the mental or physical health of genetically-related persons. This information is provided to the adoptive parent until the adopted person reaches 19 years of age, at which time the information is provided directly to the adopted person.

Petitions and Court Orders on Confidential Records:

Confidential records include sealed original birth certificates, agency adoption records, and court files on adoption.

If a birth parent is deceased, cannot be located, has signed an affidavit of non-disclosure, or has failed to file either an affidavit of disclosure or non-disclosure on the original birth certificate, the adopted person has the right to petition the court for a court order releasing the requested information. A birth parent may file an affidavit objecting to disclosure of information about himself only.

The law provides for the right of any party to the adoption to petition the court for the release of identifying information for 'good cause'. 'Good cause' is determined by the court ruling on the petition. The petitioner does not need an attorney to petition the court, but simply writes a letter of petition 'pursuant to MN Statute, Sec. 259.31' to the judge explaining what information is requested and the reasons for wanting that information.

Adoptive parents and adopted persons have the right to know which court finalized the adoption. Birth parents can petition the court in the county where court termination of their parental rights occurred or the court in their county of residence.

General Information

1. The agency has the right to charge reasonable fees for providing information or search assistance. Further, the agency has the right to require that the fee be paid in full before service is provided.
2. It is the client's responibility to clarify the service needs, respond promptly to agency correspondence and to be timely with fee payments.
3. The client has the right to be given a reasonable time frame in which the search will be completed.
4. If the client is dissatisfied with the services received, the matter should be discussed with the worker assigned to the case. If this does not result in a satisfactory solution to the problem, the client should contact the worker's supervisor. If there still are service concerns, contact the Adoption Unit, MN Department of Human Services, 4th Floor, Centennial Office Building, St. Paul, MN 55155.

Other Resources

The Minnesota Reunion Registry is not affiliated with Minnesota's public or private adoption agencies. Since 1979, this non-profit volunteer service has operated in conjunction with the International Soundex Reunion Registry and hundreds of affiliated registries worldwide.

This is not a search service, but a free, confidential mutual consent registry which may result in a match. The registry is available to persons over 18 years of age seeking other persons over the age of 18 years. For more information and a registration form, send a self-addressed stamped envelope to: MN. Reunion Registry, 23247 Lofton Ct. N., Scandia, MN 55073.

(5/85)

401 N. Armistead St. ; #310
Alexandria, Va. 22312
July 1, 1985

1985 JUL -8 AM 9 41

Ms. Scott-Boom
Senate Finance Committee
United States Senate
Washington, D.C. 20510

Dear Ms. Scott-Boom;

I would like to submit the following testimony (with enclosures) for the upcoming Hearings on Public Law 96-272. Could you please include this testimony, along with the enclosures, in the printed record?

If there is any other information that you desire, I can be reached at: 941-4320. Thank you very much.

Respectfully;

Jeanette I. Davias

Jeanette I. Davias

Concerning Public Law 96-272

Dear Committee Members;

The enclosed items are copies of: a letter (B) and two articles (A) & (C) that I wrote concerning differant aspects of Medical Access and Open Records. I submit them because they show varying problems that someone will encounter while trying to provide vital medical information to an Adoptee (except for item (A) - I added that to explain the medical problem and to highlight the difficulties of diagnosis).

To all of this, I would like to submit this added bit of information: My son also was taken from me for the same reasons, and was about to be adopted, when I was fortunate enought to find a capable attorney who aided me in regaining custody of my son.

The point to all of this is simply, because I had my son and know my family background, I was able to take "shortcuts" and moved the diagnostic timetable up by several weeks. At the present time, an adoptee DOES NOT HAVE that option.

In conclusion, I would like to point out this fact: During a meeting, last year, I asked a State Social Worker if she had ever personally been involved in a reunion (between an Adoptee and a Birth Parent), or ever heard of a reunion that had been "unwanted" by either involved party. She stated that not a single reunion had been "unwelcome". Also, of my own knowledge, I have never heard of an Adoptee or Birth Parent who did not want to be "found".

Aside from the humane aspects involved ("Who am I?, Where did I come from?, etc.), we of the Adoption Triangle (Adoptees, Adoptive Parents, Birth Parents) many times are faced with serious medical and genetic problems that must be answered. At this time, whether or not such information is passed on - or even held in the file - is based on a judgement call by the individual caseworker. And, in most instances, the caseworker (being jealous and protective of his/her "power") uses bad judgement and "trashes" the vital data. Mine is not and isolated case.

Please insist that Adoptee's access to their records be part of the reauthorization of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272). Thank you.

Respectfully;

Jeanette I. Davias

401 N. Armistead St.
Alexandria, Va. 22312
(703) 941-4320

(A)

The Alexandria Gazette

Friday, April 8, 1983 Page A-4

Ignorance endangers NF victims, families

To The Editor:

My son has neurofibromatosis (NF). Even though he's had it (and all the symptoms) from birth, the disease was not diagnosed until he was on active duty with the Navy. Tim has an unusual type that affects his leg bones — the doctors had to remove part of his hip to rebuild his left leg. After surgery, I was told that his leg was the "consistency of eggshell"; if he had not been treated when he was, he might have been a cripple for the rest of his life. But he's one of the 'lucky ones'.

Take Nicole. She's two years old. When I met her, she had the thin arms and bulging trunk of a child suffering from malnutrition. Her parents had been taking her from doctor to doctor since birth; the diagnoses ran from "vitamin deficiency" to "needing a good bath" (one of the symptoms is birthmarks). When they finally found out where the specialists were and flew up here from Florida, Nicole was literally at death's door. The surgery included removing her spleen, bladder, female organs and part of her bowel. The doctors said she would have died within two weeks without the surgery.

Both Nicole's and my family spun circles around ourselves trying to find out what was wrong with our children and what could be done to help them. By writing this, I hope to spare other families the grief and pain that we had to go through.

Neurofibromatosis is one of the most common genetic birth disorders. NF can cause disfigurements, blindness, crippling, loss of hearing — even death.

If you, or someone you know, has any of these symptoms: small growths (tumors) on or under the skin, curvature of the spine (however slight), one part of the body larger than the others (e.g. head), growth too fast or too slow, freckle-colored birthmarks or a learning disability . . . please contact:

NF Foundation
Mitchellville, Md.
(301) 577-8984

for further information and the location of expert medical assistance nearest you.

This condition is highly hereditary — please don't delay.

Jeannette I. Davies

(B)

401 N. Armistead St.
Apartment #310
Alexandria, Va. 22312
703-941-4320

I am contacting you because what started out as a personal problem has escalated into one that affects a substantial portion of the United States popluation.

In 1967, my daughter was taken from me (I was underage) and adopted out. She is now 22. I also have a son, who is 19. This background information leads me up to the problem. In 1982, my son entered the Navy. He was medically discharged nine months later - they found he had Neurofibromatosis (NF). NF is a genetic birth disorder. Because the Disorder is highly hereditary, I have been attempting to contact my daughter (through the Agency that handled her adoption) to inform her that NF exhists within the family. Needless to say, I've been met with "stone walls" all around. Not only did the agency refuse toattempt to contact my daughter, they will not even keep the NF information in an open file and release it to her in the event she contacts them for information. I feel that this is not only negligent....it brings up a possible Public Health situation. I have since found out that other birth parents are having the same problem in attempting to share vital information with their children. The Agencies simply ignore or mislead us in the hope that we will get discouraged and drop the matter.

This brings up the necessity for some type of National Legislation. Namely, a Law that would compel any Agency (State, County or Private) to notify the adoptee (or the adoptive parents, if the adoptee is a minor) if the birth parent(s) contact them, at a future date, to pass on any new genetic information. If, for some reason (adoptive family moved, etc.), the agency is unable to contact the adoptee or the adoptive family - then the Agency MUST (by Law) keep the ganetic information in an OPEN file - to be released to the adoptee and/or the adoptive parents, if they are contacted by them in the future.

Perhaps this type of Legislation is something that your Group might be interested in seeing implemented. If so, please contact your Congressman.

I can be reached at the above address and phone number if there are any questions you might have.

Thank you;

Jeanette I. Davias

Getting the Runaround

(C)

By Jeanette I. Davias

In March 1982, my son Timothy, age 17, left home to report for Naval Basic Training. After I had weathered through the obligatory bout of "Empty Nest Syndrome," I thought the future would be clear sailing. It didn't work out quite that way.

By November of 1982, Timothy had been medically discharged and returned home. The verdict? Neurofibromatosis (NF) also known as the Elephant Man's Disease. It would be a year and a half of evaluations, tests, doctors' visits, and two major operations, not to mention the fear, uncertainty and tears before we would breathe easy again. However, this too would not last.

You see, Timothy has an older sister named Janet. Janet was taken from me when she was almost six years old and placed for adoption. Since NF is a genetic birth disorder that is passed from parent to child, Timothy's doctors want to evaluate Janet in order to rule out that she too may have NF. So in the Fall of 1983, I (in good conscience and all innocence) attempted to contact the agency in New York that had handled the adoption. I received no answer. To make a very long story short, I went from the social worker who had handled the adoption to the head of the agency to the "Adoption Specialist," to the court, to Rochester, to Buffalo, and, finally, to Albany.

During that time, I have been lied to, ignored and generally "led up the primrose path." I've been told: by a caseworker, "The agency will not do anything without a court order" (including accepting a Waiver of Confidentiality); by another caseworker that my daughter was adopted; by the Court, "there is no record of an adoption"; by the agency head, "they'd get back to me"; by Rochester the matter would be expedited (my letter sat on her desk for three weeks unopened); by phone from Buffalo, they would petition the Court to open the files and contact my daughter as this was a serious matter; by letter from Buffalo, "to have all further contact with Albany as this is a legal matter...we wish you the best of luck."

So far, Albany is silent.

At this point, I feel much more than rage. I feel fear. Fear that this agency which, presented with a life and death situation affecting not only Janet but her children as well, couldn't care less. It's been over six months since I made my initial contact. I have provided everyone with documentation concerning my son's condition. I have always (only) asked that my name, address, phone number, and the information concerning the disorder be presented to my daughter to *let her make her own decision* as to whether she wishes to contact me. I have emphasized that there are very few doctors who are experts in recognizing and treating NF, and it would be preferable for her to deal with Timothy's doctors since it is an inherited genetic disorder and they *are* familiar with the case. Yet, at every turn, I have been treated with the patronizing attitude reserved for slightly senile, doddering, elderly relatives. The agency clearly views a parent's concern as a sign of mental instability or worse, as a threat to their authority. They refuse even to keep the NF information on file in the event Janet contacts them for information!

Others have pointed out the situation could have public health implications. Personally, I also see it as a moral issue: "Does this agency have the right to play God?" In my case at least, that is what they are doing. They are condemning my daughter and her children to a possible life of serious medical problems—disfigurement, blindness, crippling, loss of hearing, and even death. Who gave them that right?

What is neurofibromatosis?

Neurofibromatosis is a genetic disorder of the nervous system. Characteristic signs in the adult are six or more flat, coffee-colored (cafe-au-lait) skin spots; multiple, usually benign tumors, called "neurofibromas" when they appear on the nerves; and sometimes curvature of the spine.

What are the early signs?

Children with neurofibromatosis can almost always be identified shortly after birth by the appearance of light brown spots on their skin. Physicians generally consider that any young child with five or more such "cafe-au-lait" spots, each half a centimeter or more in diameter, has neurofibromatosis. Characteristic tumors may appear on the nerves and elsewhere in the body during childhood, but usually do not develop until early adulthood.

ADOPTALK
A Publication of the North American Council on Adoptable Children
Summer 1984

I am an adult adoptee, born [illegible] in New York State, and I am now actively searching for my birth mother. My reasons for searching are myriad. [illegible] name a few, I need to know my own history; I need to know what genetic traits I may have passed on to my own children; since I [illegible] experienced childbirth, I want to thank the woman who endured this for me; I believe that my birth mother, who is less apt to search me out because of secrecy and social pressures, has a right to know me, to know about how I was raised, to know what I've done with my life, and to know that she has grandchildren; I need to know much more than the very limited "non-identifying" information that New York State will allow me.

My curiosity and my questions are endless. One question that particularly haunts me, and it is one that is often downplayed or even overlooked by those who regard adoptees' searches with skepticism, is: do I have any brothers or sisters? All we adoptees wonder this. In fact, those of us who grew up with no or only 1 or 2 adoptive siblings even dream that we will someday locate some half-siblings.

For years, I have scanned faces in groups as diverse as patrons in a theater lobby, passengers on a bus, or worshippers in church, always looking for someone who resembles me. The wonder is always there; the search is never-ending. After all, we adoptees do know that somewhere we do have birth parents, even if the laws won't allow us to know them, but we never know whether we have siblings, and if so, how many we have.

And as we get older, we wonder if we have neices and nephews by these "lost" siblings. In my adoptive family, I have only one brother, who does not have children, so this lack is a particular sadness to me.

America loves to boast that it is the "land of the free." Yet how free are its citizens when some are denied the right to know their own birth parents, and when they are denied the right to know whether or nor they have any brothers and sisters?

Changes in adoption laws are long overdue. It is heartening to know that Congress is finally addressing the issue of families torn apart by adoption. I hope that you will also take action very soon, so that adoptees and birth parents may decide for themselves whether or not to contact one another, and so that adult adoptees can finally learn if they have siblings.

Thank you for your prompt attention in this matter.

Sharon A. Green
Sharon A. Green
(nee Mary Adele Flynn)

205 Sweet Avenue
Buffalo, New York 14212

STATEMENT

BY

GORDON JOHNSON

DIRECTOR

FOR

STATE OF ILLINOIS

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

TO

SUBCOMMITTEE ON SOCIAL SECURITY

AND INCOME MAINTENANCE PROGRAMS

COMMITTEE ON FINANCE

UNITED STATES SENATE

JULY 5, 1985

Public Law 96-272, The Adoption Assistance and Child Welfare Act of 1980, was a landmark piece of legislation. The State of Illinois accepted the challenges of this law with enthusiasm and began the massive job of restructuring the state's child welfare system. Five years later, many things have changed. Our major areas of accomplishment include the following:

(1) We have established a regular, systematic planning mechanism for children and families which requires that a case plan be developed within 30 days of case opening and be reviewed at least every six months thereafter;

(2) We have devised a planning format which clearly identifies a permanency goal for each child, a target date for goal achievement, and individual objectives with relevant tasks specified which parents and others must achieve in order for the child's permanency goal to be realized;

(3) We have developed and implemented an administrative case review system for those children who are in foster care to help ensure that the permanency plans for this particularly vulnerable group of children are sound, are timely, and reflect good child welfare practice. Last year the administrative case review system monitored the case plans and progress toward permanency goal achievement of over 16,000 children.

(4) The Department has strengthened its adoption program over the past five years. The number of adoption staff has been increased and the training which they receive has been enhanced. Greater attention has been placed on children in foster care who have in the past often been overlooked with regard to consideration for adoption. Adoptions of state wards are at a higher level than they have been in the past eight years. This is largely due to:

- The systematic administrative case review system already mentioned,
- Legislative changes governing parental rights termination,

- The establishment of the Adoption Information Center of Illinois with its toll free adoption hotline number,

- The hiring of staff who specialize in adoptions, and

- The launching of a highly successful public service media campaign -- "I want to be a son/I want to be a daughter."

The adoption of minority children, particularly black children, has been enhanced by the One Church, One Child program. That program was started in Chicago by Father George Clements, a Catholic Priest who has adopted three teenage boys. The program is based on the premise that each black church should find among its congregation at least one family to adopt a black child. The program, which has had a significant impact on reducing the number of black children waiting for adoptive homes, is now being replicated nationally.

Finally, the Department has established adoption screening committees in all eight regions. These committees have helped workers identify the legal information and evidence which is necessary to pursue court action to terminate parental rights. The success of the screening committees has been measured by an increase in the numbers of children for whom parental rights are being terminated. These are some of the children for whom both a permanent living arrangement and a permanent legal status is being realized through adoption.

(5) A fifth major area of accomplishment in assuring permanency for children concerns what we refer to as primary prevention programs. The Ounce of Prevention and Parents Too Soon programs are the cornerstones of this effort. These programs focus on "high risk" families, such as teenage parents, in order to prevent problems from arising which might otherwise result in Department or judicial intervention.

In January of this year, I announced awards exceeding $400,000 to 34 non-profit agencies in 29 different Illinois communities to fund child abuse and neglect prevention services. Those grants represented dollars which Illinois taxpayers contributed through the state income tax check-off program. Last year, the tax check-off program realized nearly $500,000 for the child abuse prevention fund which is administered by the Department. One could say that the tax check-off program was a referendum measuring citizen support for child welfare services -- and children came out on top. The concern for children has become such an integral part of our national conscience that citizens are willing to support programs not only with their tax dollars, but also with voluntary contributions. We can be proud of our choice of priorities.

It is now time to review the results of our labors and determine whether changes need to be made. There are two bills before the Congress which propose to do just that. In this written testimony, I will provide my comments on these bills and will also give suggestions for further changes in P.L. 96-272.

Change the Funding Formula for Title IV-E

The funding formula for Title IV-E foster care maintenance payments is an anachronism which loses meaning in the light of abused and neglected children. The link to AFDC entitlement on the pretext that low-income children are being especially protected is a false one. When the family structure has been broken down to the extent that the child must be placed in foster care, virtually all children must be considered low income. At the point of family disruption, the parents' income is rarely available to the child. For this reason, I do not support continuation of the current P.L. 96-272 link to AFDC eligibility as the entitlement mechanism.

Linking funding to AFDC eligibility does not reward states for their efforts to protect children or to maintain them in permanent homes. Rather, it rewards states for aggressive steps to maximize claiming via sophisticated accounting systems. Seven percent (7%) of the nation's children reside in the State of New York, yet New York receives $121 million in Title IV-E monies. Ten percent (10%) of the nation's children reside in the State of California, yet California receives $84.9 million in Title IV-E monies. These two states, representing 17% of the nation's children, devour two out of every three dollars spent for foster care. The remaining one-third of the monies are parceled out to the other forty-eight states and the District of Columbia. Thus, eighty-three percent of the nation's children are being provided foster care services from only one-third of the monies allotted for such services. When the Title IV-E cap swings into place, the inequities of the funding system will be frozen, leaving forty-eight states without hope of improving their lot.

In 1978, the base year from which future funding is proportioned under the Title IV-E cap, Illinois' claims for AFDC-FC monies were at an extreme low. Recognizing this fact, the Department conducted a massive revamp of the eligibility determination process and improved vastly our claiming capabilities. If the Title IV-E cap is implemented, Illinois, with more than 5% of the nation's children, will receive less than 2% of the total Title IV-E funds ($4.9 million). A look at other states will demonstrate this unfairness. Michigan receives $28 million in Title IV-E funds. Pennsylvania -- $14 million. Georgia --$7 million. The District of Columbia -- $6.2 million. Even Louisiana, a small state compared to Illinois, receives $5 million.

Children who have been abused or neglected are in need of services, regardless of where they reside. An abused child in New York receives twenty times more Title IV-E funding than an abused child in Illinois. an abused child in California receives seven times more Title IV-E funding than a child in Illinois. Are some abused or neglected children inherently "worth" more than others? I think not. Yet this funding formula, which in reality rewards states for their accounting acumen, would seem to indicate so. Any plan that bases future funding on the number of children currently receiving AFDC-FC payments promises that these inequities will continue into the future. I must stand in opposition to it.

Equity funding, a division of the total Title IV-E allotment based upon the number of children in each state, will provide a truly meaningful approach to funding foster care services. A similar funding mechanism is used quite successfully for the distribution of Title IV-B and Title XX monies. Equity funding would properly reward states such as Illinois which have, on their own initiative, expanded the foster care program to serve all children in need of protection, regardless of their family's financial situation. Forty states will gain benefits under an equity funding formula. However, New

York, California, and a few other states will be adversely affected by the change. These states should be protected by a "hold harmless" clause which would ensure that their funding would not dip below a certain specified level, regardless of the number of children in their state. The equity formula is simple, easy to administer, and establishes fairness in the approach to funding foster care services. I stand firmly in favor of such a change.

Break the Link Between Adoption Assistance and AFDC Eligibility

S. 1329 proposes that all "special needs" children be eligible for services under Titles XIX and XX. I support this proposed amendment, as far as it goes. However, the proposed amendment does not address the most basic flaw in the adoption assistance program -- that eligibility for adoption assistance unfairly links a former status to current need.

There is no logical basis for linking the biological family's AFDC status to the child's current eligibility for adoption assistance under Title IV-E. All legal ties to the biological family have been broken through death, voluntary surrender of parental rights, or involuntary termination of parental rights in a court of law. It is not appropriate to look back at a family whose legal relationship to the children has been severed in order to determine eligibility for benefits for children in their new family setting.

One and only one criteria is appropriate: Do the children have special needs which require adoption assistance in order to finalize an adoptive placement? If this criteria is met, funding should be provided under all appropriate titles - IV-E, XIX, and XX.

Simplify Adoption Assistance

The adoption assistance program has been unnecessarily complicated by administrative requirements. One of these requirements is that Medicaid eligibility can be established only if a cash payment is being provided. For many "special needs" children, the primary concern is not cash assistance, but rather coverage of medical costs. Sometimes the adoptive family neither needs nor desires cash assistance. Yet the state is required to provide a token cash payment in order to qualify children for Medicaid. This unnecessary administrative burden results in needless games-playing at a substantial cost to the tax payer. S. 1266 cuts through this red tape by proposing that the cash assistance requirement be dropped so the states will no longer need to provide minimal payments to qualify children for Medicaid. I wholeheartedly agree.

I also support the amendment to S. 1266 which requires all states to honor the Medicaid component of adoption assistance agreements made in other states. Thus, children will be eligible for Medicaid from the state in which they currently reside, regardless of where the adoption assistance agreement was signed.

In the five years we have been administering the adoption assistance program under Title IV-E, some lack of clarity in P.L. 96-272 has been identified. The law does not specify whether children continue to be eligible for adoption assistance if their parents are deceased. However, DHHS has issued a policy interpretation that adoption assistance cannot be transferred to the children's guardians upon the death of their adoptive parents. In some instances, guardians are specified in the parents' will. In other instances, friends or relatives agree to serve as guardians. In either situation, the willingness and ability of the prospective guardians to care for the children may be affected by the availability of adoption assistance and Medicaid benefits to help meet these special needs. I support an amendment to P.L. 96-272 which clarifies that adoption assistance benefits belong to the adopted child and, in the event of the death of their adoptive parents, would be available to their caretakers or guardians. A new adoption assistance agreement would be negotiated only if such children were adopted by another family.

S. 1329 proposes a change in the law to permit the provision of cash assistance and Medicaid from the point of the interlocutory decree. This is not an issue for Illinois, since we license all prospective adoptive parents as foster parents. Nonetheless, I support this provision of S. 1329 because it will increase the flexibility or available to the adoption assistance program while ensuring that the special needs of these children are met without a break in eligibility. S. 1329 also proposes that the link between AFDC eligibility and adoption assistance be broken. This is consistent with my proposal to change to an equity funding formula. I support this provision.

Eliminate Periodic Redeterminations of Eligibility

Use of the equity funding formula also would eliminate the need for periodic redeterminations of eligibility, a proposal in S. 1329 which I support. The periodic redetermination of eligibility is not a sensible exercise when children have been placed in foster care. In Illinois' experience, such redeterminations have uncovered virtually no ineligible children. Yet the information which must be gathered, the data which must be stored, and the staff time which must be spent result in a costly, largely unused administrative system.

Very few abused and neglected children have income or assets sufficient to meet their needs. Conducting periodic redeterminations of eligibility is an example of another carry-over from the AFDC link which unnecessarily complicates service provision. The elimination of periodic redeterminations will reduce administrative costs and free staff time for more productive endeavors without jeopardizing the integrity of the foster care payment system.

Eliminate the Requirement for Judicial Determinations Regarding Placement Prevention Efforts

The most onerous requirement of P.L. 96-272 is the requirement that a judicial determination must be entered to affirm whether reasonable efforts were made to prevent placement. The requirement is onerous because it gives the judiciary the responsibility of second-guessing social service efforts. It is also onerous because it places one of the basic eligibility requirements for funding totally outside of the control of the recipients of that funding. This inherently unfair provision should be stricken from P.L. 96-272.

Eliminate Bonus Payments

S. 1266 provides bonus payments of $3,000 per child to states which reduce the number of children in long-term foster care by more than 3% from the preceding fiscal year. Even though Illinois' rate of reduction of the long-term foster care population is well above 3% per year, I oppose the bonus incentive plan. The bonus incentive plan is, in reality, a bounty system. States are rewarded for each child returned home, regardless of the conditions that the child is returned to, how long the child remains at home before the family disrupts, or what happens to the child while home. There is no reward for healed families, happy children, integrated personalities, or any other measure of good child welfare practice. There is one criteria and one only -- numbers of children. Good child welfare practice is not subject to such simple numerical measurements. Too many other, more sensitive barometers will be ignored if the bounty system is implemented. I must oppose any incentive plan which does not use the needs of the child as the primary and most important consideration.

Simplify Reporting Requirements

S. 1329 proposes the addition of lengthy biennial reporting requirements. These requirements are excessive! No purpose or intent is given for gathering this data nor is any use of the data specified. To place such a heavy administrative burden on states is both reckless and costly.

Illinois devoted hundreds of weeks of high-level staff time to create an information system that is both simple and useful. The needs of direct service staff, supervisory staff, and administrative staff were considered during the development of these systems. Literally hundreds of management reports are generated from them. To legislate that states go back into systems that have been operational for years just to add data elements for which a need has not been demonstrated is a costly, time-consuming project. The money and energy that would be spent on this proposed revamp could better be used to enhance and refine the systems which states have built already. Furthermore, many states, including Illinois, have voluntarily chosen to participate in the American Public Welfare Association's Voluntary Cooperative Information System (VCIS). To change reporting expectations at this time will penalize states which voluntarily sought coordinated, appropriate reporting and will unnecessarily complicate state data systems. For these reasons, I am opposed to the excessive reporting requirements.

Provide Adequate Funding

S. 1329 proposes to amend P.L. 96-272 by adding requirements for mandatory training of foster parents and other child care providers, mandatory child care while foster parents receive training, and mandatory post-adoptive counseling services. I certainly recognize the benefits of training foster parents and helping adoptive families adjust to their changing circumstances. As much as I support each of these provisions, I also know the costly reality of putting such programs into place. We desperately need these services but the cost of providing them will reduce the availability of other services directly linked to returning children home or maintaining them in their homes. These mandates without money are really cutbacks without criticism. What is added to the one hand must be taken from the other. Unless specific funding provisions are attached to these additional mandates, I must stand in opposition to them.

Establish Transitional Independent Living Programs

I heartily support the provision in S. 1329 which requires states to establish transitional independent living programs by 1987. The State of Illinois is a parent for thousands of foster children who have been victims of physical abuse, sexual abuse, and neglect. Some of this most sensitive and most volatile population stay in the foster care system until the age of majority is attained. Then, these children must leave, even if they are not ready to leave.

Illinois, as their parent, has implemented a number of transitional independent living programs designed to help these youth get their start in life. But many youth who could benefit by these programs cannot get into them. Unable to return home, uninterested in adoption, and unwilling to adapt to family life, some youth remain in residential care settings until the age of majority is attained. This should not be.

As the "parent" of these children, the State of Illinois, and every state, is ultimately responsible for their well-being. Transitional independent living programs are among the most difficult to monitor, the riskiest to undertake, and the most likely to produce results. Youth who learn to work, cook their meals, and manage their money develop a sense of worth and self-esteem perhaps for the first time in their lives. Yet, programs are not free. Staff cost money. Services cost money. I applaud any effort to fund appropriate transitional independent living programs. They allow us to do our job ... to be good parents.

P.L. 96-272 is a landmark piece of legislation. Under its rubric, the child welfare system has become increasingly sensitive and increasingly responsive to the needs of children. As we have implemented the provisions of this law, we have come to understand the needs of the children and families we serve in a new and deeper way. It is now appropriate to give the most careful consideration to those changes which will enable us to provide these services in the most sensitive, efficient manner possible. Thank you for the opportunity to comment on these proposed bills. This concludes my written testimony on revisions to P.L. 96-272.

STATE OF MAINE
DEPARTMENT OF HUMAN SERVICES
AUGUSTA, MAINE 04333

JOSEPH E. BRENNAN
GOVERNOR

MICHAEL R. PETIT
COMMISSIONER

June 28, 1985

Senator William L. Armstrong and Members
United States Senate
Committee on Finance
Washington, D.C. 20510

Senator Armstrong and Members of the Subcommittee on Social Security and Income Maintenance Programs:

I am writing on behalf of the New England Directors and Commissioners of Child Welfare programs to comment on the proposed revisions to the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272), and to make some other comments regarding proposals we would like to see enacted which would help the New England states more effectively administer the programs of the act.

The New England Child Welfare public agencies have been strong supporters of the goals of P.L. 96-272. The children and families who are the focus of this Act are our most troubled children. They are children who have been abused, neglected, or abandoned by their parents, and who have been left without other resources except those which the states and federal government provide to them. For children who come into foster care, the state literally becomes the "parent", a situation which we all agree is not an appropriate substitute for a family for these children.

Therefore, each of us in the New England states has taken steps to develop services and programs designed to keep children out of foster care, to treat better the problems of children and families who come into the foster care system, and to find permanent, safe, and appropriate placements for children who leave foster care. Because of the extreme vulnerability of these children and their ultimate dependency on government programs, we suggest that any changes contemplated in the law should be done with extreme caution, and that careful consideration should be made of the impact of the proposed changes on states' abilities to serve these children and their families.

In this regard, we believe there should be a broadly based, systemic review of the experience of 96-272 since it was passed 5 years ago in 1980. There needs to be an evaluation of whether the goals of the law have been reached; of the policies and procedures used by HHS to administer the program; and of the states' response to the law. We suggest there are many areas that should be examined. These include:

1. Has there been a reduction in the number of children in foster care, or have states been serving more children each year for a shorter time frame? In Maine, the number of children in foster care at any one time has decreased by over 600 since 1980. However, this figure is somewhat misleading, because the same number of children are still served each year.

Thus, while there are may be fewer children at any one time in custody in Maine, there are more children coming into foster care and more leaving it. We wonder if this same phenomenon is true nationally, and if it is, what are the implications for future planning for resources for this population of children?

2. There should be a complete review of the way the Department of Health & Human Services has administered the Act. In New England, it is the general concensus of all the states that the Department's administration of this program has hindered rather than helped the states to reach the goals of the Act. The administration of the Section 427 compliance provisions have represented an administrative nightmare for most of the states in New England. Only two states have passed this compliance review and they are scheduled for further reviews for 1984 and 1985. Two states are in litigation regarding issues as far back as 1981 and policies and procedures have been issued retroactively (if at all), and few, if any, of the regulatory requirements have been promulgated through the Administrative Procedures Act.

3. The New England states have all experienced a rapid growth in the number of reports of child abuse and neglect, and in the number of cases served. If this trend continues, there will be an increased number of children coming into the foster care system in the next few years. The foster care caseloads have begun to rise in most New England states due to the increase in child abuse and neglect reports. What are the implications of this trend continuing on the federal and state role in changing the foster care system? According to Charles P. Gershenson, Ph.D. of DHHS, the decline in the national trend of children in foster care stopped in 1983.

4. We believe that Congress should examine other alternatives for permanent placements for children in foster care. At the present time children are either: a) reunited with their family, if the family can be strengthened to the point where they are an appropriate placement for the child; b) placed in long-term foster care; or c) placed for adoption. States have made significant progress in developing programs to keep families together, and in getting difficult to place and special needs children adopted; however, there are still many children for whom none of the above alternatives is appropriate. We believe there are other alternatives which should be explored, including one that has been developed in Massachusetts whereby the child is placed with a legal guardian, payments continue for the child's maintenance, and the state ends its involvement with the case unless there is any problem that occurs in the family. At the present time, the Department of Health & Human Services has not allowed any federal reimbursement for this guardianship program. We feel that the Congress should explore this and other options for placement of some children.

In addition to asking the Congress to do an overall review of the actual practice of 96-272, we would like to make the following specific comments on the revisions presented by Senator Armstrong.

We support the following:

1. The provision which would provide Medicaid coverage to all special needs children regardless of whether the child is receiving an adoption assistance subsidy;

2. The specification that adoption assistance children are eligible for Medicaid from the State where they reside regardless of whether the state is a party to the Adoption Assistance Agreement;

3. Making permanent the provisions of Title IV-E which authorize federal matching of foster care maintenance payments on behalf of children voluntarily placed in foster care.

We oppose the following provisions:

1. Lowering the foster care cap trigger from the current requirement of full funding ($266,000,000) for Title IV-B Child Welfare Services to $200,000,000, which is the current appropriation.

2. Capping the federal foster care reimbursement at the estimated FY '85 and changing the limit on submission of prior year claims to one year rather than two years as is the present law.

In addition, we have some concerns regarding the proposal to give bonuses to states which reduce by 3% below the prior year the number of children in foster care for more than 24 months. As we understand it the bonus would be $3,000 per child times the difference in the number of placements. This may be a case where we would be doing the right thing for the wrong reason. States do need additional funds to help develop programs for children who have been in foster care long periods of time, and who are either moving out of foster care or will stay in long term foster care unless other alternatives can be developed. The goal should be the development of a permanent and appropriate placement for the child, and giving children who are "graduating" from the system the skills and education needed to be able to make it in the world without additional help. The goal should not be simply to have states reduce the number of children in care to claim a bonus. We would prefer to see these funds be added to the IV-B program so that states can develop services for these adolescents that are appropriate to the needs and demands of each state.

There is one final item which we would very strongly urge the committee to look at. This is the issue of how additional funds under the IV-B program are made available to states which meet the protections of Section 427 of the Act. Simply stated, we believe that under the existing system, there will always be a large number of states that will not be able to take advantage of the additional IV-B funds. Further, because of the way the compliance reviews are done after the fact, states cannot use the additional IV-B money for anything other than "one-time expenditures". Under the present system if states can prove that they had all the systems in place, they are allowed to keep the additional IV-B funds, plus any funds transferred from Title IV-E and funds for voluntary foster care placements. However, if they fail the compliance reviews, they must repay these funds. This system of rewarding states after the fact has led to confusion, poor relations between the states and the Department of Health and Human Services, administrative hearings and reviews, and court challenges.

We do not see this situation improving unless the law is changed.

We would suggest that instead of the present system of rewarding a state after the fact, an incentive system be established. Under our proposal the state and the Department of Health & Human Services would mutually develop a plan for states to come into compliance with the various requirements of Section 427. The additional IV-B funds would then be used to strengthen those components of the state system which are out of compliance. The states, the various advocacy groups, and the federal government would then be able to monitor the state's improvement in meeting the various requirements of the Act. This system would be proactive rather than the retroactive process which now exists. Under this system, we would predict that all states would be able, within a short time, to come into compliance with Section 427, that most litigation would cease, that favorable relations could be established once again between the Departments and the states, and that the children and families in the foster care system would be far better served.

We propose, therefore, the following amendment to Section 427 of the act. "In order to qualify for additional funds under the IV-B program, the state and the Department of Health & Human Services shall mutually develop, and the state shall implement, a plan for each of the compliance elements contained in this Act. The plan shall specify those components of the state's foster care system that do not meet the requirements of the Act and the specific legal, regulatory, or administrative steps which shall be taken to bring the state into compliance. A time frame for compliance shall be indicated and the additional Section IV-B funds shall be used as necessary to help fund the necessary improvements. If the state does not achieve the objectives of the plan within the time frame indicated, the secretary may withhold from future allocations the additional IV-B funds and other funds related to compliance with this section."

In closing, we again urge that a broad review be conducted of the overall affect of this act on improving the lives of children and families affected by this legislation. The Commissioners and Directors of the New England Child Welfare Programs stand ready to assist your committee in whatever way is necessary for us to make this legislation into the truly responsive Act that it was meant to be.

Sincerely,

Peter E. Walsh

Peter E. Walsh
Director
Bureau of Social Services

ew

cc: Charles Launi, Connecticut
David Bundy, New Hampshire
Marie Matava, Massachusetts
Dr. Edward Collins, Rhode Island
William Young, Vermont

NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES
40 NORTH PEARL STREET, ALBANY, NEW YORK 12243

CESAR A. PERALES
Commissioner

July 5, 1985

Dear Ms. Scott-Boom:

Enclosed please find an original and five copies of written testimony which I wish to submit in conjunction with the Committee's hearings on the foster care and adoption assistance program. I hope the comments will be useful to the Committee in its deliberations on the very important issues at stake here.

Sincerely,

Mary Jo Bane
fr
Cesar A. Perales
Commissioner

Ms. Betty Scott-Boom
Committee on Finance
United States Senate
Washington, D.C. 20510

Enclosure

MR. CHAIRMAN, LET ME BEGIN BY SAYING I AM ESPECIALLY APPRECIATIVE OF THE OPPORTUNITY TO SPEAK TO THE COMMITTEE TODAY ON THE VARIOUS PROPOSALS TO AMEND THE ADOPTION ASSISTANCE AND CHILD WELFARE ACT OF 1980. OVER THE LAST FIVE YEARS I HAVE HAD THE OPPORTUNITY TO VIEW THAT LANDMARK LEGISLATION FROM TWO PERSPECTIVES: FIRST, AS ASSISTANT SECRETARY AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES AND THEN IN MY CURRENT POSITION AS COMMISSIONER OF THE NEW YORK STATE DEPARTMENT OF SOCIAL SERVICES. THESE EXPERIENCES HAVE LED ME TO SOME FAIRLY CLEAR CONCLUSIONS ON THIS SUBJECT AND WILL, I HOPE, BE OF ASSISTANCE TO YOU AS YOU DELIBERATE THE PROPOSALS BEFORE YOU.

IN BROAD STROKE, THERE ARE TWO THEMES I WANT TO FOCUS ON TODAY: FIRST, THE WAYS IN WHICH FISCAL POLICIES EITHER HELP OR HINDER THE PROVISIONS OF APPROPRIATE SERVICES: AND SECOND, THE BALANCE THAT NEEDS TO BE DRAWN BETWEEN THE PROVISION

OF SERVICES AND THE ACCOUNTABILITY OF SERVICE PROVIDERS. I WILL TOUCH BRIEFLY ON A COUPLE OF OTHER TOPICS AT THE END OF MY REMARKS, BUT MY PRIMARY CONCERNS ARE WITH THESE TWO THEMES.

YOU HAVE BEFORE YOU A NUMBER OF DIFFERENT PROPOSALS TO CHANGE THE FISCAL PROVISIONS OF P.L. 96-272. AMONG THESE ARE PROPOSALS:

1) TO GRANT BONUSES FOR REDUCTIONS IN THE NUMBER OF CHILDREN MAINTAINED IN FOSTER CARE OVER TWO YEARS;
2) TO PLACE AN OVERALL CAP ON THE FUNDS AVAILABLE UNDER TITLE IV-E FOR FOSTER CARE MAINTENANCE PAYMENTS;
3) TO EXPAND THE RANGE OF ALLOWABLE EXPENDITURES UNDER TITLE IV-E TO INCLUDE SERVICES PREPARING YOUNG PEOPLE TO LIVE INDEPENDENTLY; AND
4) TO CHANGE THE PROVISION ALLOWING TRANSFERS OF FUNDS FROM TITLE IV-E TO IV-B.

IN CONSIDERING THESE PROPOSALS, SOME OF WHICH APPEAR IN THE ADMINISTRATION'S PROPOSAL AND SOME OF WHICH ARE INCLUDED IN SENATOR MOYNIHAN'S BILL, I WOULD URGE YOU TO WEIGH EACH OF THEM AGAINST THE FOLLOWING PRINCIPLE: FISCAL POLICIES SHOULD PROMOTE THE INDEPENDENCE AND SELF-SUFFICIENCY OF CLIENTS BUT THEY SHOULD NEVER BE CONSTRUCTED IN SUCH A WAY AS TO DRIVE THE DECISIONS THAT ARE MADE ABOUT THE SPECIFIC SERVICES A CLIENT RECEIVES. STATED SOMEWHAT DIFFERENTLY, FISCAL POLICIES SHOULD ASSIST CLIENTS TO BECOME SELF-SUFFICIENT BUT SHOULD NEVER DICTATE THE MEANS BY WHICH THIS OCCURS.

THE PROPOSALS I MENTIONED ABOVE CAN EACH BE MEASURED AGAINST THAT PRINCIPLE, WITH OBVIOUSLY DIFFERENT RESULTS. THE PROPOSAL TO PROVIDE BONUSES FOR REDUCTIONS IN THE NUMBER OF CHILDREN MAINTAINED IN FOSTER CARE, OVER TWO YEARS REPRESENTS PROBABLY THE CLEAREST VIOLATION OF THAT PRINCIPLE. IT IS INTENDED TO

SUBSTANTIALLY REDUCE THE NUMBER OF CHILDREN KEPT IN LONG TERM CARE, WITHOUT REGARD TO WHETHER SOME CHILDREN NEED SUCH CARE. I TAKE THIS POSITION DESPITE THE FACT THAT NEW YORK'S RECORD OVER THE LAST TEN YEARS, REDUCING OUR FOSTER CARE POPULATION FROM 50,000 TO 27,000, GIVES ME EVERY CONFIDENCE THAT WE WOULD STAND TO GAIN AT LEAST $600,000 PER YEAR. THE PRICE TO BE PAID FOR THAT "BONUS," HOWEVER, WOULD BE AN INCREASED NUMBER OF CHILDREN RETURNED TO PARENTS NOT YET READY TO CARE FOR THEM; THE DISCHARGE OF CHILDREN TO THEIR OWN RESPONSIBILITY PRIOR TO THE TIME THEY REACHED MAJORITY, WHETHER THEY WERE READY OR NOT; AND AN INCREASED NUMBER OF CHILDREN RETURNED TO ABUSIVE FAMILIES BECAUSE ADOPTION ALWAYS TAKES LONGER THAN A RETURN TO THE BIOLOGICAL FAMILY. THIS PRICE WILL BE PAID BECAUSE THE BONUS SYSTEM PROVIDES AN AFTER-THE-FACT INCENTIVE TO GET CHILDREN OUT OF FOSTER CARE, EVEN WHEN THAT MEANS THEY WILL

BE RETURNED TO CARE LATER. IN SHORT, THE BONUS SYSTEM DOES NOTHING TO PROMOTE INDEPENDENCE, EXCEPT IN THE SHORT RUN, AND IT CREATES A LARGE INCENTIVE NOT TO USE A PARTICULAR SERVICE IN THIS CASE FOSTER CARE, EVEN WHEN THAT SERVICE IS THE MOST APPROPRIATE ONE.

THE PROPOSAL TO PLACE AN OVERALL CAP ON FEDERAL FOSTER CARE FUNDS VIOLATES THE OTHER SIDE OF THE PRINCIPLE I HAVE ENUNCIATED. THAT IS TO SAY, IT FAILS TO PROVIDE THE RESOURCES NECESSARY TO CARRY OUT THE JOB OUR SERVICES ARE INTENDED TO DO. IF THOSE SERVICES HAVE A PURPOSE AT ALL, IT MUST BE TO GIVE FAMILIES A CHANCE TO BECOME CAPABLE OF CARING FOR THEMSELVES, AND AN ARBITRARY LIMIT ON ONE OF THE RESOURCES NECESSARY TO ACCOMPLISH THAT -- INDEED ON THE ONE RESOURCE AIMED AT SERVING THOSE FAMILIES LEAST ABLE TO CARE FOR THEMSELVES -- IS NOTHING LESS THAN A LIMIT ON OUR COMMITMENT TO THAT GOAL. YES, I

SUPPOSE IT IS POSSIBLE TO SCALE BACK THE COSTS OF CARING FOR CHILDREN OUTSIDE THEIR HOMES, BUT I HAVE NO DOUBT THAT THE COST OF DOING SO WILL BE A LOWER QUALITY OF CARE -- AND THAT AT A TIME WHEN THE NATION'S ATTENTION IS INCREASINGLY FOCUSED ON THE DANGERS CHILDREN FACE WHEN PLACED OUT OF THEIR HOMES EVEN FOR A FEW HOURS A DAY. I HAVE NO DOUBT THAT THE COST WILL BE TO DRIVE AWAY MANY OF THOSE FOSTER PARENTS WHO HAVE BECOME SUPPORTS NOT ONLY TO THE CHILD IN THEIR CARE BUT ALSO THE CHILD"S PARENTS. I HAVE NO DOUBT THAT THE COST WILL BE THE CONTINUAL MOVEMENT OF CHILDREN FROM ONE SETTING TO ANOTHER AS FOSTER PARENTS AND INSTITUTIONS BECOME LESS TOLERANT OF THESE TROUBLED AND REJECTED CHILDREN. FOSTER CARE IS A SERVICE TO CHILDREN AND FAMILIES, A SERVICE DESIGNED TO PROTECT THE CHILD AND ALLOW FOR THE HEALING OF THE FAMILY. WE CAN DO IT WELL AND PROVIDE THAT PROTECTION AND HEALING OR WE CAN DO IT AT BARGAIN PRICES AND MERELY HIDE THE PROBLEM.

ON THE OTHER SIDE I WANT TO ENDORSE IN THE STRONGEST TERMS THE PROPOSAL OF SENATOR MOYNIHAN AND CONGRESSMAN STARK TO ALLOW THE USE OF TITLE IV-E FUNDS TO PREPARE CHILDREN FOR INDEPENDENT LIVING. STUDY AFTER STUDY HAS SHOWN THAT LARGE PROPORTIONS OF THE HOMELESS POPULATION CONSIST OF FORMER FOSTER CHILDREN. QUITE FRANKLY, THERE ARE AT LEAST TWO REASONS FOR THIS. THE FIRST IS SIMPLY A MATTER OF WHERE OUR ATTENTION HAS BEEN TUNED. WE HAVE FOCUSED, AS A NATION, SO STRONGLY ON FINDING PERMANENT HOMES FOR CHILDREN THAT WE HAVE OFTEN FORGOTTEN THOSE CHILDREN WHO, FOR WHATEVER REASON, WERE NOT GOING TO GET A PERMANENT HOME.

BUT THE SECOND REASON IS EQUALLY IMPORTANT. THERE SIMPLY HAVE BEEN NO RESOURCES DEVOTED TO THIS ISSUE. MORE CLEARLY HERE THAN ON ANY OTHER ISSUE WE HAVE THE ABILITY TO ENSURE THAT CHILDREN WHOSE FAMILIES CANNOT OR WILL NOT CARE FOR THEM

STILL GROW UP TO LEAD PRODUCTIVE, RESPONSIBLE LIVES. THESE CHILDREN ARE AT OUR MERCY; A CHILD DOES NOT TEACH HIM OR HERSELF TO BE A CONTRIBUTING MEMBER OF SOCIETY. EVEN FROM A PURELY FISCAL POINT OF VIEW THE CHOICES HERE ARE CLEAR: WE CAN PROVIDE THE RESOURCES TO MAKE FOSTER CARE SERVICES WORK FOR THESE OLDER CHILDREN OR WE CAN MAINTAIN THEM ON PUBLIC ASSISTANCE AND FOOD STAMPS LATER.

FINALLY, I WANT TO SAY A WORD ABOUT THE SHIFT OF FUNDS FROM TITLE IV-E TO TITLE IV-B. FROM MY PERSPECTIVE AT HHS IN 1980, THIS WAS THE REAL PROMISE OF P.L. 96-272. THE STATUTE CREATED A MECHANISM FOR A FISCAL POLICY THAT WAS GENEROUS ENOUGH TO SUPPORT THE WORK SERVICES WERE DESIGNED TO PERFORM BUT FLEXIBLE ENOUGH TO PERMIT THE CHOICE OF AN APPROPRIATE SERVICE FOR EVERY CHILD. FROM MY PERSPECTIVE AS COMMISSIONER OF SOCIAL SERVICES IN NEW YORK STATE, IT IS A PROMISE LONG FORGOTTEN.

AFTER THE FIRST YEAR OF IMPLEMENTATION THE AMOUNTS ALLOWED TO BE SHIFTED WERE SO SMALL IN COMPARISON TO THE AMOUNTS PROVIDED FOR FOSTER CARE THAT IT IS SURPRISING TO SEE HOW MANY STATES HAVE REDUCED THEIR FOSTER CARE CASELOADS. THE SUCCESSES WE HAVE ACHIEVED IN NEW YORK HAVE BEEN DUE LARGELY TO HUGE INCREASES IN PREVENTIVE SERVICES, FUNDED OUT OF STATE AND LOCAL DOLLARS. YET, I AM NOT CONVINCED THAT WE HAVE ACHIEVED ENOUGH. IF THIS COMMITTEE DOES NOTHING ELSE, IT SHOULD WORK TOWARDS ENSURING THAT THE RESOURCE COMMITMENTS MATCH THE COMMITMENTS OF RHETORIC. JUST AS RESOURCES ARE NECESSARY TO MAKE FOSTER CARE WORK, RESOURCES ARE NECESSARY TO HELP FAMILIES STAY TOGETHER. THE LOGICAL PLACE FROM WHICH TO TAKE THOSE RESOURCES IS THE FOSTER CARE FUNDING STREAM -- NOT ARBITRARILY, NOT SO AS TO PRE-DETERMINE WHAT CLIENTS ARE LIKELY TO RECEIVE, BUT IN FULFILLMENT OF THE ORIGINAL PROMISE.

TO TURN TO THE SECOND OF MY THEMES, THE BALANCE BETWEEN SERVICE PROVISION AND ACCOUNTABILITY, I ADMIT TO BEING AT SOME DISADVANTAGE DUE TO THE FACT THAT THE SPECIFIC PROVISIONS OF SENATOR MOYNIHAN'S BILL WERE NOT AVAILABLE AT THE TIME THIS TESTIMONY WAS PREPARED. NEVERTHELESS, MY EXPERIENCE IN NEW YORK HAS DRAWN ME SO DEEPLY INTO THIS ISSUE THAT I FEEL COMPELLED TO ADDRESS IT IN GENERAL TERMS.

LET ME BEGIN BY SAYING THAT I AM A FIRM BELIEVER IN STRONG ACCOUNTABILITY RULES. EARLIER I EMPHASIZED THE NEED FOR FISCAL RESOURCES TO BE AVAILABLE FOR THE APPROPRIATE PROVISION OF SERVICES. THE REVERSE SIDE OF THAT COIN IS YOUR RIGHT, AND YOUR DUTY, AS PROVIDERS OF THE RESOURCES, TO ENSURE THAT APPROPRIATE SERVICES ARE INDEED BEING PROVIDED.

NEVERTHELESS, IT IS CLEAR THAT MUCH OF WHAT PASSES UNDER THE NAME OF ACCOUNTABILITY REALLY AMOUNTS TO THE COLLECTION OF USELESS DATA THAT WILL NEVER BE EXAMINED BY ANYONE OTHER THAN ACADEMIC RESEARCHERS. NEW YORK'S IMPLEMENTATION OF P.L. 96-272 AND OF ITS OWN CHILD WELFARE REFORM ACT OF 1979 LED TO PRECISELY THIS TYPE OF EXCESS. INDEED, THE REPORTING REQUIREMENTS WERE SO EXTENSIVE THAT THE CASEWORK STAFF WHO HAD TO DO THE REPORTING MADE THEIR OWN CHOICES AS TO HOW TO BALANCE THEIR OBLIGATIONS TO CLIENTS AND THEIR OBLIGATIONS TO THE STATE. THE RESULT WAS INCOMPLETE AND UNRELIABLE DATA, AND FAR TOO MUCH TIME TAKEN AWAY FROM CLIENT CONTACT. BECAUSE OF THAT WE HAVE JUST COMPLETED A COMPREHENSIVE OVERHAUL OF BOTH OUR CASE RECORDING REQUIREMENTS AND OUR COMPUTERIZED SYSTEM OF DATA COLLECTION. WE DID SO IN ORDER TO ACCOMPLISH THESE GOALS:

1) TO ELIMINATE DUPLICATIVE REPORTING REQUIREMENTS;

2) TO ELIMINATE REPORTING OF INFORMATION NOT NECESSARY TO PROMOTE GOOD CASEWORK OR TO IMPLEMENT STATUTORY ACCOUNTABILITY REQUIREMENTS: AND

3) TO ELIMINATE OLDER REPORTING REQUIREMENTS WHEN THE INFORMATION BEING COLLECTED WAS EITHER NO LONGER NEEDED OR COULD BE COLLECTED MORE EFFICIENTLY THROUGH NEW MECHANISMS.

THIS LAST ONE IS PARTICULARLY IMPORTANT. P.L. 96-272 REQUIRED A GREAT DEAL OF DOCUMENTATION AND VERY COMPREHENSIVE COMPUTER DATA BANKS. IF THE DESIRE FOR MORE INFORMATION RESULTS FROM THE INADEQUACY OR INAPPROPRIATENESS OF THOSE EARLIER REQUIREMENTS, I WOULD URGE YOU TO ELIMINATE SOME OF THOSE EARLIER REQUIREMENTS. IF IT RESULTS FROM INSUFFICIENT REPORTING TO THE FEDERAL GOVERNMENT, I WOULD URGE YOU TO LIMIT YOUR REQUEST TO INFORMATION THAT IS ALREADY BEING COLLECTED BY THE STATES.

THE IMPORTANT POINT IN EITHER CASE IS THAT SERVICE PROVIDERS SHOULD NOT BE FACED WITH EVER INCREASING BURDENS OF PAPERWORK THAT IS OF LITTLE USE TO ANYONE.

FINALLY, I WANT TO SAY A BRIEF WORD ABOUT THREE PROVISIONS OF THE CURRENT PROPOSALS WHICH DO NOT FIT SO NEATLY INTO THE MAIN THEMES I HAVE ADDRESSED. THE FIRST IS THE PROPOSAL TO MAKE THE VOLUNTARY PLACEMENT PROVISION OF P.L. 96-272 PERMANENT. I AM PLEASED TO SEE THIS PROVISION INCORPORATED INTO BOTH THE ADMINISTRATION BILL AND SENATOR MOYNIHAN'S PROPOSAL. THE MORE WE HAVE EXAMINED THE POPULATIONS WE SERVE, THE CLEARER IT BECOMES THAT THERE IS OFTEN LITTLE DIFFERENCE BETWEEN THE FAMILIES WHO COME TO US THROUGH ONE OR ANOTHER TYPE OF COURT ADJUDICATION AND THOSE WHO COME TO US VOLUNTARILY. THERE ARE THE SAME KINDS OF SERVICE NEEDS AND DYSFUNCTIONS. BOTH TYPES OF MECHANISMS ARE NEEDED, BECAUSE WE SHOULD NOT FORCE FAMILIES INTO AN ADVER-

SARIAL RELATIONSHIP WITH US, IF THEY ARE WILLING TO SEEK HELP VOLUNTARILY.

THE SECOND POINT IS ALSO INCLUDED IN BOTH PROPOSALS. IT INVOLVES THE ELIMINATION OF THE REQUIREMENT TO MAKE TOKEN ADOPTION ASSISTANCE PAYMENTS BEFORE AN ADOPTED CHILD MAY RECEIVE MEDICAL ASSISTANCE. THE CURRENT REQUIREMENT IS A USELESS ADMINISTRATIVE BURDEN AND A MYSTIFYING IRRITANT TO ADOPTIVE PARENTS WHO SEEK NO AID OTHER THAN THE PROTECTION OF THEIR EXISTING RESOURCES.

THE THIRD AND FINAL POINT HAS TO DO WITH THE ADMINISTRATION'S PROPOSAL TO REDUCE THE TIME FOR CLAIMS FROM TWO YEARS TO ONE. HERE THE ISSUE IS SIMPLY ONE OF EQUITY. FEDERAL AUDITS DENY FUNDS TO STATES FOR SEVERAL YEARS RETROACTIVELY, BUT THIS BILL WOULD EFFECTIVELY ELIMINATE STATES' OPPORTUNITIES TO CORRECT MISTAKES THEY HAD MADE IN THE OPPOSITE DIRECTION. THE ONLY

MOTIVATION FOR THIS TYPE OF CHANGE IS FISCAL SAVINGS. IT WILL NOT IMPROVE THE QUALITY OF SERVICES AND IT EXACERBATE AN ALREADY UNBALANCED SITUATION FOR THE CORRECTION OF MISTAKES.

AGAIN, I WANT TO THANK THE COMMITTEE FOR THE OPPORTUNITY TO ADDRESS THESE ISSUES. I HOPE MY REMARKS WILL BE USEFUL TO YOU AS YOU PROCEED WITH YOUR DELIBERATIONS.

the national network
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905 - 6th Street, S.W., Suite 411, Washington, D.C. 20024 (202) 488-0739

WRITTEN TESTIMONY OF

JUNE BUCY, EXECUTIVE DIRECTOR OF NATIONAL NETWORK
OF RUNAWAY AND YOUTH SERVICES

FOR THE

SUBCOMMITTEE ON SOCIAL SECURTIY
AND INCOME MAINTENANCE PROGRAMS

OF THE
COMMITTEE ON FINANCE
U.S. SENATE

HEARING ON FOSTER CARE AND ADOPTION ASSISTANCE

SUBMITTED ON JULY 8, 1985

Mr. Chairman and Subcommittee Members:

Thank you for this opportunity to submit written testimony on the foster care and adoption assistance admendments, currently before this subcommittee.

I am June Bucy, Executive Director of the National Network of Runaway and Youth Services. The National Network is a membership organization, which represents more than 600 community-based shelter programs and other agencies serving runaway, homeless, and other troubled youth and their families. Our foremost goal is to improve services and policies which effect the lives of those 1.5 million youth presently seen as at risk in our country.

While many of my collegues in the child welfare field have offered testimony concerning various sections of Senator Armstrong's Bill (S.1266) and still others have addressed issues in the Moynihan/Stark Bill (S.1329), I will confine my remarks to the issue of Independent Living Programs as referenced in Section 102 of S.1329. I do, however, support the recommendations put forth by the Children's Defense Fund and Child Welfare League, and strongly urge this subcommittee to adopt those findings as the subcommittee reports out on these two bills.

Many of our member agencies have developed Independent Living Programs designed to assist youth in their transition to self-sufficiency and I would like to share some of their success stories with you. Young people are taught job readiness skills. They learn to care for their health, they secure and care for apartments and clothes. They learn how to purchase and cook food for balanced meals. They learn interpersonal skills, such as: the ability to cope with frustration without resorting to violence, and they develop supportive relationships with adults and their peers that enable them to weather set-backs in their quest for independence. Many older adolescents, however, do not have these skills and have no way of gaining them before they are "aged out" of the foster care system. Homeless youth living on the streets learn to hustle for food and shelter. They are excluded from opportunities to secure stable employment and living arrangements by their lack of education, basic work skills, and family histories of disruption and violence which has limited their ability to prepare for self-sufficiency. If they attempt to learn these skills they find long waiting lists for the few training programs in their local communities. Local personnel, again and again, express a need for more such transitional programs.

Recently our National office completed a survey of runaway and homeless youth service agencies. All fifty states were represented by the responding agencies. In this survey ----

- 66% of responding agencies expressed a strong need for "Independent Living Programs" --- housing and services designed for older teens who have no homes to go to. Many of these youth have been homeless or in state custody for serveral years.

Even those agencices who already have an independent living component operating within their organization spoke of their waiting lists of young people with unmet needs due to lack of funds and low numbers of existing programs. While some states appear quite active in this area many others offer no or minminal assistance to the early emancipatee or the 18 to 21 year old leaving a noticeable service gap.

Program providers in Louisiana, noted just such a critical gap in their services to the older youth population (eg. Independent Living Programs), in their responses to a 1984 Survey by the Governor's Commission on Children, Youth and the Family. Louisiana has but one Independent Living Program, a group home in New Orleans, and virtually no other services to this age group except for the Developmentally Disabled. As noted by one of the state's service providers, "this critical gap in services is really more like a gully.

Minnesota is just now implementing an Independent Living Program in Hennpenin County. Service providers in this state also shared a concern regarding the gap in service to the older adolescent. Independent living skills is not only are needed by the 18 to 21 year old but by younger teens as well. Services should be provided to the 15 or 16 year olds, so that at the age of majority these youth are more prepared for self-sufficiency. Youth in this transitional phase would be greatly assisted by supportive services and a stipend for living expenses until they can make it on their own.

The state of New York has developed quite a number of Independent Living Programs. One model program is Homes Away from Home. Milo Stanojevich directs this program in New York City for 18 to 21 year olds. The single young adult program has been operating for the last three years, while a new division was started last fall for young mothers with one child. Both programs follow similar guidelines, with the major exception being length of stay. A single young adult can remain in the program for a year,.while the young mother and child may stay up to a year and a half.

This program works on the premise of small co-op group living. The agency rents an apartment and then sublets to the young people. Currently, the program has 5 apartments in operation. Two apartments are for young mothers with three Moms and three children in each apartment. The single young adults have three apartments with five young people in each. The young person has his/her own bedroom and shares the remainder of the apartment with the roommates.

Young people, who participate in this program must meet the following criteria:

- attend school or be employed
- contribute toward the rent ($60.00 a month)
- participate in counseling, house meetings and workshops
- have a savings account and contribute to it
- be responsible for maintance of the apartment

While one staff member is assigned to each apartment, it is not on a live-in basis. The youth have daily contact with staff and are on call for emergency situations. The average length of stay in the program is nine months.

Based on records kept by the program:

- 80% of the participants are from the New York City area.
- A large percentage of the youth are either Black or Hispanic.
- 25% of the youth have been in foster care or institutions and do not possess the skills necessary to function on their own. According to staff, these young adults are in need of more one to one contact/support and often times appear disconnected from family and peers.
- One-third of the youth will re-establish a relationship with their family either during or after the program.
- 20 to 25% of the youth return home -- having now set in place a more stable, equal relationship with their parent or relative a joint living arrangement can be handled. This is especially important in New York City as the housing situation is not adequate, even for those youth who have the skills to cope with independent living. Most of these "independent" youth who return home pay rent to their parents/relative, as they would to a landlord.

Homes Away From Home has one opening in the program about every four weeks! As the homeless population of New York City grows the number of young adults seeking independent skills will also increase. An expansion in this area is clearly needed due to the large number of foster care children in New York and the few program openings now available. Most of this program's referrals are now directed through the city's emergency shelters.

Although, New York has developed Independent Living Programs, many older adolescents still find themselves ill-prepared for "independence" and unable to find employment, housing, or medical care. The number of youth in need far out weights the available program slots.

Missouri has few Independent Living Programs, with only one, Evangelic Stepping Stone, in St. Louis County. Due to the few available programs many older adolescents are backlogged in a system waiting to receive services.

Missouri, not only has a backlog of 18 to 21 year olds needing transitional services but according to the Department of Family Services, Residential Care Screening Team 277 children under the age of 18 were awaiting residential treatment in June 1985. Of this number 64.9% are classified in "severe need". With this large of backlog many adolescents are placed in secure criminal justice system facilities, as there is no other alternative. These facilities are not designed to be learning centers, so the inmates have no skills at the end of their confinement (incarceration) at the age of 18, when they are "dismissed" from the custody of their "parent" --- the state of Missouri.

Service providers in Missouri are concerned about the needs of the older adolescents in both the areas of proper placement and the development of skills enabling them to move into a productive adult life.

Dale House Project operates in Colorado Springs, Colorado. This agency offers a continum of care to youth. Services can be of a short term/runaway nature or long term/foster care situation. Dale House Project also has an Independent Living Program consisting of two apartments, one for three girls and the other for three boys. The county has set-up a program which assigns a social service caseworker to monitor the youth's transition into adulthood. Contingent on the situation the program youth can establish residence in a Dale House apartment or one of their own. To participate in this program the youth must:

- have established a savings account
- be employed or enrolled in school
- participate in the emancipation curriculum
- at least sixteen years old
- be an active Department of Social Services case

El Paso County (Dale House Project County) will allot the youth a $300 stipend for living expenses if they are enrolled in the Emancipation/Independent Living Program. This stipend and program are only available to those young people under the age of eighteen. Youth participating in this program usually come from one of two backgrounds:

- aged 17 to 17 1/2 and are emancipated out of foster care
- aged 16 to 17 and are runaways that foster care does not want to pick up

According to George Sheffer, Director of Dale House Project, "Unfortunately, most foster care programs including ours are dealing with sicker kids who, even at the age of 18 are not ready to live on their own and are in need of on-going transitional care and services." Dale House has been able to do some of this transitional work through private sector funding but a real need still exists for the state/ county to continue stipends and programs for the 18 to 21 year olds.

In 1983-1984 the National Network of Runaway and Youth Services and the Big Brothers/Big Sisters of America were funded by the U.S. Department of Health and Human Services for a demonstration project using volunteers to work one-on-one with 16 and 17 year old young people who were attempting to achieve independent living. Volunteers were recruited and trained to assist 53 youth in learning life management skills.

These skills were selected after careful study of material from a variety of programs and generally cover the scope of self sufficient living. They were divided into the following catergories:

Personal Habits - ability to use self-discipline in daily experiences
Life Situations - ability to find and care for shelter, food, clothes, etc.
Money Management - ability to handle financial transactions and decisions
Education/Training/Employment/Career Planning - ability to get and use appropriate education,training and work skills
Resolution of Family Conflict - ability to interact responsibly with family
Community Support System - ability to live interdependently in community

Volunteers were most helpful in teaching money management skills and in assisting the youth in obtaining jobs or to gain a greater appreciation of their need for more education or training. They seemed least able to help the youth resolve family conflicts and build their own support system. (These areas may be ones that require a longer time frame than the project provided.) Increasing the youth's ability to cope with daily health care and self-discipline and to find shelter, food, clothes, etc. on their own ranked in the middle of the achievement range.

In summary, the project demonstrated that volunteer mentors can provide practical assistance to young people in transition and both the young people and the volunteers enjoy the experience, and can measure their progress. It is a potentially powerful way to serve a popoulation of youth that need help as they step out on their own.

Other National Network member agencies offer young people workshops, inservices, and training as a component of their short term emergency programs. In a recent survey conducted by the National Network just such a program model was identified in two agencies: Youth and Family Connections in Florida, and Patchwork/ Connections in West Virginia. We intend to replicate this model in another agency and dissimenate our findings to encourage the growth of this component in short term facilities.

Both short term informational services and separate Independent Living Programs are needed and they work! I repeatedly heard this from service providers around the country. An older adolescent is caught in that phase of adjustment to self-sufficiency which is particularly difficult for those youth with a troubled family background. It is not rational to assume that one's eighteenth birthday magically transforms a confused, disconnected youth into a functional adult. Programs can be designed to meet the needs of these youth and their success rate is high.

The National Network strongly supports the adoption of Section 102 of the Moynihan/Stark Bill.

Thank you again for this opportunity to submit written testimony on the need for Independent Living Programs for our older adolescents.

NATIONAL COMMITTEE FOR ADOPTION
SUITE [illegible]
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202 · 463-7559

July 5, 1985

Sen. William L. Armstrong, Chairman
Subcommittee On Social Security
and Income Maintenance Programs
Committee on Finance
United States Senate
Washington, D. C.

Dear Mr. Chairman:

The following comments and suggestions are submitted for inclusion in the record of your oversight hearing on the Adoption Assistance and Child Welfare Act (P. L. 96-272), held June 24, 1985.

These comments are offered on behalf of the National Committee For Adoption. We have more voluntary, not-for-profit licensed adoption agencies in our membership than any other national, non-sectarian organization. Our suggestions grow out of decades of experience by these agencies, most of which preceded the emergence of agencies funded by tax dollars. They also reflect agencies' experience in actually carrying out P. L. 96-272 at the grass-roots level.

During your hearing, comments were received on a number of issues which are raised by your bill, S. 1266, and by legislation introduced by Sen. Moynihan, S. 1329. We will be addressing, therefore, both pieces of legislation as we discuss P. L. 96-272.

S. 1266

BONUS FOR REDUCTION OF NUMBERS OF CHILDREN IN LONG-TERM FOSTER CARE. Based on the information which has been made available to us, we are not convinced that this provision would be a positive contribution. We suggest that it be set aside, pending the provision of additional data which indicates that it would have the desired effect of appropriately encouraging States to move children out of inappropriate foster care.

MEDICAID ELIGIBILITY OF CHILDREN ELIGIBLE FOR ADOPTION ASSISTANCE PAYMENTS. We support this provision. We are concerned, however, about problems with Medicaid which will continue in the event this provision is enacted and urge the Subcommittee to hold an oversight hearing on this matter no less than 12 months after enactment.

REPEAL OF REQUIREMENT FOR ANNUAL REPORT. We do not support this provision.

At this time, we have no comment on the other provisions of S. 1266.

In reviewing the foster care reform picture, we believe that it is important to keep in mind the broad, bipartisan support that exists for this initiative. Indeed, Assistant Secretary for Human Development Services Dorcas Hardy has been an outspoken and effective advocate for foster care reform, just as members of the minority were among those who helped create P. L. 96-272. Because of this bipartisan background, we suggest that legislation introduced by Sen. Moynihan, S. 1329, also be given consideration. Perhaps an accomodation between the two bills can be worked out.

S. 1329

ELIGIBILITY OF OLDER CHILDREN FOR FOSTER CARE MAINTENANCE PAYMENTS. We support this provision. As one of our experienced agency executives told us, although a person may be ready for military service at age 18, many are not ready for other experiences. The recent initiative to raise the legal age to drink alcohol suggests that adulthood no longer should automatically be seen as age 18.

TRANSITIONAL INDEPENDENT LIVING PROGRAMS FOR OLDER FOSTER CHILDREN. We support this provision. As one of our member agency executives stated about Sec. 477 (b) (1), "New York has this now and it is an excellent way to assist these youngsters."

POST-ADOPTION SERVICES. Although we support this provision in principle, we believe that additional language would have to be added to address two major concerns. First, most of the existing expertise in post-adoption services, which should not be duplicated at needless expense, is in the voluntary sector, not the public sector. We query how the voluntary agencies, which have the appropriate expertise, will be used to deliver these services. We would not wish to see this provision become the means for generating new, duplicative or inappropriate services which would have the potential for harming clients. Second, we believe that the language of the bill, Sec. 473 (d) (1), should be changed to read: "Such services may be furnished by licensed or certified social workers or other experts in post-adoption services who have five years experience in delivering such services and who are employed by licensed adoption agencies." Without very specific amendments to this provision, we would oppose it. We would be pleased to work with the Subcommittee in formulating an appropriate provision.

TRAINING FOR FOSTER PARENTS AND FOR STAFF MEMBERS IN CHILD-CARE INSTITUTIONS. Responses from our member agencies were mixed in respect to this provision. While there is an acknowledged need for training, and while the need for specific training in all aspects of discipline was one aspect which was specifically mentioned as being needed, there was a considerable amount of hesitation to approach the training needs as suggested in the present draft of S. 1329. Here is an example of the kind of comments we received from experienced administrators of programs which offer foster care, adoption and institutional services:

> I have great concerns about having the federal government mandate what the state needs to do. I certainly would not be in favor of all foster parents needing to be trained according to a certain prescribed state procedure or for all of our staff members to have to have that kind of training for working in a child care institution. I have a feeling the same thing would happen as now seems to happen in licensing. Some of the very best people are those who don't want to get involved in the bureaucratic procedure that is often a part of this kind of system. I believe we need as many good potential foster homes as possible, and I thing we would have more potential homes if private agencies like ours would have the discretion of deciding what training people needed, based upon the kinds of children that would be placed in those homes. Certainly, foster parents for infants would not need the same kinds of experiences and help as someone who is providing foster care for troubled teenagers. Unfortunately, federal and state mandates do not seem to have the ability to discriminate. As so often happens, these regulations then become a substitute for thinking.

This kind of comment is typical of the response of many professionals with decades of experience in foster care and institutional care of children and youth. At the least, it suggest extreme caution in the consideration of any language which would mandate training, especially that which is tied to licensing. It would appear, based on the responses received from our agencies, that this provision requires more consideration and redrafting. Without such consideration and redrafting, we could not support this provision.

BIENNIAL REPORTING REQUIREMENT. We strongly support this provision, with the understanding that additional funding should be provided to carry it out. We do not believe that the funding necessary to carry out this requirement is of the same magnitude as that suggested in the statement of the American Public Welfare Association. It is possible to obtain accountability from the States for the funds expended without paying for a complete standardization of hardware and software.

At this time, we have no comment on the other provisions of S. 1329.

We appreciate the opportunity to comment on the issues raised by your oversight hearing on P. L. 96-272, because, in our view, there is a continuing need for involvement in the foster care reform movement. As one of the national organizations which strongly supports appropriate foster care reform, and as a network of many of the agencies and individuals who are committed to carrying out this reform, we are anxious to work with you, with other members of the Subcommittee and with members of the full Committee and other members of the Senate on these issues. Please contact us if we may be of assistance or if we can provide you with additional information about these subjects.

Sincerely,

William L. Pierce, Ph.D.
President

WLP/ms

cc: Members, Committee on Finance, U. S. Senate

Nancy Sturis
3124 Luther
Saginaw, Mi. 48603

June 24

June 30,1985

Finance Committee

U.S. Senate

Washington, D.C. 20510

TO WHOM IT MAY CONCERN:

Enclosed is testimony from my brothers and sister and myself for Inclusion in the Official Hearing Record pertaining to PL 96-272 Adoption/Foster Aid.

Per the request, we are enclosing five copies of testimony and would like to state that open records would have been of great benefit in our lives; also, How were we better off being separated?

Would you please include our testimony in the printed record of the Adoption Assistance Hearing?

Very truly yours,

Nancy Lee Sturis

Nancy Sturis

WE, THE UNDERSIGNED, HEREBY TESTIFY THAT:

We were separated as a family of seven children and two parents, in the year 1950 when State Social Service Workers took us from our parents in an action that deemed our parents "UNABLE TO CARE FOR" we children. We were placed in St. Vincent's Home and the Saginaw County Child Receiving Home. Our oldest sister, Nancy, was 14, John was 13,Connie was 8, Billy was 3,Chuck was 2, and Roy was a newborn baby. Michael, now 31 of North Carolina, was born after we six were taken from our parents and was allowed to stay with his parents.The first week of July will bring a family reunion,after 35 devasting years,of all seven children as per our mother's death wish "Please find all of my babies and bring them together", to our older sister, Nancy, who has searched since she was sixteen years old until the present age of 48.

Most of us were old enough to know that we had brothers and sisters and can remember crying for one another for many years. Many of us have tried over the years to find out through the Courts and the State where our siblings or birthfamily was and were coldly treated with complete apathy and told that adoption files were confidential a must remain sealed. Our oldest sister went to Social Services when she was sixteen years old and was told to forget the past; she carrie that letter from Social Services all of her life, but never gave up in her quest. We three older children were originally placed at St. Vincent's Home and one day while swimming, Nancy spotted two of us being taken away and asked the nun, "Where are they taking John and Connie?" She was told, "they are being taken to a home". Nancy pushed the nun in the swimming pool and climbed the fence to save us. The barbed wire at the top of the fence did not deter her, but she was pulled down by some of the older boys. She subsequently suffered a complete emotional breakdown. Her punishment was to wash down the entire dormitory with a toothbrush; operate an industrial scrubbing machine on the floors of the orphanage, do the dishes in the kitchen for the entire orphanage and work in the laundry for one month from 7 a.m. until 7 p.m. at which time she had to go to bed, so she could get up at 7 a.m. to go to their church services so that she might become a real christian like them. The $ .50 cent allowance she normally got to attend the movies was also taken from her.

For months, we were moved from St. Vincent's to the Children's Home, were allowed to see each other briefly, watched our brothers and sisters leave, return, leave again. Nancy was allowed on Sunday, to leave St. Vincent's home to go to Children's Home and love and nurture our infant brother periodically until he was adopted out. Two of us were adopted or placed in a prospective adoptive family. The elder of we two was abused and was returned because " he won't eat". The adoption was completed on the other child, though he was completely orphaned at age 13 when his mother died of cancer, and his father died in an auto accident in the same year. He wrote the State of Michigan many years ago, but was denied any knowledge of his birth family. The child that was returned to the home, again met his older brother, Johnny, who was ecstatic at his return, but a very short time later the social workers came to place the tot in yet another adoptive home; while he hid under the bed and held onto the springs of the bed with all of his strength, Johnny fought or tried to fight off the social workers, he lost and the tot was placed in the adoptive home, where he would not get in a car for months, in fear that he would be placed in a less loving home. He was four years old at the time and Johnny was not yet 12 yrs. old.

Connie was placed in a foster home, as were Nancy and John as they were really too old to be"desirable adoptee prospects", though John has said that he told them that he "would refuse to be adopted" with great vehemence. Nancy was not abused in the foster homes she lived in, but led a most insecure life and earned her keep babysitting and cleaning; her stay there ended when she walked in on her foster mother in bed with her lover. She then went to live with her father for some years.

Johnny was forced to arise at 5 a.m. in his foster home so that he might work in the fields plowing before he went to school. One day he learned that his sister, Connie, lived nearby from a school friend. Thus, he was able to keep track of her until he was older and could contact her.

Connie's life was a tortureus life from the time she was placed in the foster home. She was abused verbally and whipped and exploited. She carries mental scars which demand that she live on tranquilizers the rest of her life. Like some of her brothers and sisters, she has blacked out much of her life and cannot force her mind to open those doors to the pain she experienced. She begins to shake when we attempt to recall the past and though in her forties, cannot yet force her memory. Initially, she did not want to reunite with her family as the mere prospect of meeting them would open the boil so that it might heal,was terrifying to her. Most of us lived with horrific nightmares and persistent memories all of our lives; questions we could not solve in our minds, faces that would enter our memory, then fade away.

Oddly enough, Social Services declared our parents "Unable to care for" us in 1950, yet our youngest brother, who was born after we were taken, was allowed to stay with his parents and, incidentally, was the only child of seven to graduate from college. OUR QUESTION- How were we better off in adoption and foster homes?

Our parents' crime? They were poor and were paying neighbors on occasion to watch over us when they were forced to leave us to go to work to earn a living. Our home, though impoverished, was scrubbed clean with lysol, if possible, one could say that the floor boards shone; our food was plentiful and nourishing, and we were loved. Our parents spent their lives searching in vain for four of their babies who were taken from them; each Sunday, they would put Michael in their car and drive the town looking for us. They quit only when they died at premature ages. When a certain Social Service worker learned they were searching, she called one of the adoptive homes and I was whisked off the street and sent to the cottage for a while.

We feel that we were not intended to be victims of the system, but indeed, we were! Many of us, at different times of our lives, contacted the State of Michigan with the hope of finding our family, but were told we could not obtain information.

With respect to our parents, we found "Graves at the end of our Search". We pray that they know that we are all found and will meet after 35 years the first week of July. The end did not justify the means for Social Services. We can never forgive them for the devastation they wreaked, nor can we forgive the laws that make it possible for any State to make children victims of their system.

WITNESSETH:

Joan E. Keller

Joan E. Keller

John A Nielsen Sr

JOHN A. NEILSEN JR.

William Bosch

WILLIAM BROCKITT -JAMES BOSCH

Nancy Lee Sturis

NANCY LEE STURIS

Connie Dierich

CONNIE DIERICH

Chuck is in Florida
Michael is in N. Carolina
Randy is out of Country

Rec June 24 5

June 28, 1985

Ms. Scott Boom
Finance Committee
U.S. Senate
Washington D.C. 20510

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Dear Ms. Scott Boom,

In regards to the hearings on reauthorization of Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980, I would urge that the reauthorized version require states, which recieve federal adoption/foster aid, to enact laws to open adoption records, to not separate siblings unnecessarily, and allow separated siblings to be reunited.

I am one of eight children separated from our parents and each other when we were very young, because of the unsanitary conditions of the home in which we were living. Most were adopted except me. I was raised by my grandmother. I have found them all except (one). We have all felt that we were punished all of those years for a situation to which, we had no control over. All of us have faced some emotional trauma because of this separation, and all of our reunions have been great. My brother George says, "If only I would have had a brother or sister to talk to when I was growing up, things would have been easier for me." He grew up in an adoptive home an only child, knowing he had brothers and sisters, which he could not find. I beieve it is time for this punishment to end for it wasn't our fault. We have to know our sister or our lives will consist of one endless search. It has to end somewhere. Every American has the right to know his/her parents, brothers, sisters, relatives, heritage, and Medical History, unless they are adopted, then they can no longer share those Birth Rights. Adoptees are forced to honor a contract of adoption Signed by others on his/her behalf to which the adoptee had no say. They are further told that they must never question it, and are to honor it for life regardless if they are of adult age or not. This Law does not give them the Freedom of Choice, and for that reason, it is unconstitutional.

Sincerely,

Elmer Spencer

28 Condon Avenue
Buffalo, New York 14207
July 1, 1985

Betty Scott-Brown
Commitee on Finance
US Senate
Washington DC 20510

Dear Ms. Scott-Brown:

Please include my testimony, which is attached to this letter, in the congressional hearing records of June 24th, concerning the Federal Public Law, P L 96 - 272, Adoption Assistance and Child Welfare Act of 1900. I heard there was a deadline of July 8th for mail-in testimony.

Also, please put my name and address on your mailing list. I wish to be notified of further Adoption Legislation as it is introduced so I may have a voice in the making of laws which directly affect me.

Sincerely,

Ms. Joan Wheeler born Doris Sippel

Ms. Joan Wheeler born Doris Sippel

Reunited Adoptee, Separated at Birth
From Nine Siblings

Coordinator, Buffalo Adoption Lifeline

28 Condon Avenue
Buffalo, New York 14207
July 1, 1985

Betty Scott-Brown
Commitee on Finance
US Senate
Washington DC 20510

Testimony to be included in the Congressional Hearings of June 24, 1985, concerning the Federal Public Law, P L 96 - 272, Adoption Assistance and Child Welfare Act of 1900:

I was born two months prematurely on January 7, 1956. My mother died, at age 30, on March 28, 1956, of cancer. My four other siblings, Gertrude (nine years), Katherine (eight years), Leonard (six years), and Ruth (three years) all remember that our mother was pregnant, and then she died. They never saw their newborn sister. Instead, our thirty year old father chose a distant cousin of his deceased wife to adopt his youngest daughter. After the adoption was finalized, there was no contact between my adoptive parents and my birth father and siblings.

Meanwhile, because this was a private adoption between distant relatives, it was not exactly a closed adoption. My birthmother's sister and my adoptive father's sister, who are third cousins, kept in close contact with eachother. Without the consent of my adoptive parents, or of my birthfather, or of the children involved, photos of me and photos of my siblings were passed back and forth. The extended family had the oportunity to compare my personal growth with that of my siblings, yet, knowledge of my siblings was denied to me.

But my eldest sister, Gertrude, did not easily forget that she had a baby sister. Year after year she silently remembered my birthday, and, when she was eighteen and I was nine, she managed to obtain my adoptive name and address from my birth aunt. My sister then told the rest of my full blood siblings and they promptly went to work devising ways of contacting me. Year after year they tried one thing after another, never being blatant about who they were, and they always let time go by before trying a new tactic so as to ward off any suspicions from my adoptive parents. Dolls were sent in packages with no gift cards, chain letters were sent directly to me and my siblings' names and address were on the chain letters, only I thought they were friends of the other people listed. Prank phone calls were made , asking for me directly --- and I was completely unaware that my own siblings were doing these things.

My birthfather, meanwhile, had remarried. His second wife had two sons from a previous marriage. She died ten years later. My birthfather then married his third and present wife who had two daughters from a previous marriage. My father and my step mother had a son in 1971. Thus the family grew from the original five, full blood siblings, to include two step brothers, who are now in their thirties; two step sisters, who are now twenty-four and eighteen; and one half brother who is now fourteen. The youngest of the five full blood siblings was given up for adoption in 1956 --- me --- and in 1977 the youngest of the step children --- my step-sister --- was legally adopted by birthfather. And, all the while, I was raised an only child.

When I turned eighteen I set out to locate the only blood relative I knew I had: my birthfather. But, my siblings were waiting for my eighteenth birthday, too. They voted that the eldest should take charge and wait a few weeks after my eighteenth birthday to make contact with me, their little sister.

It was on Tuesday March 5, 1974 that my eldest sister made a phone call that reunited us after an eighteen year separation. It has been eleven years since that day and I can only say that my Reunion with my Birth-Family is only beginning. Eleven years have taken us through much joy, pain, disagreements, reconcilliations and acceptances as well as much personal growth. My siblings and I have made tremendous strides in making peace with the past that separated us and now we live in the present and look forward to a lifetime of experiences ahead of us.

Most of the extended family resides in the Buffalo, New York area. However, Some of us siblings are now separated by mileage. My second eldest sister has lived in Liverpool, England since 1971. My full blood brother has lived in Phoenix, Arizona since 1977. And my eldest sister has lived in Binghamton, New York since 1982. And I am moving to Charleston, South Carolina in September 1985. It isn't easy living with employment-imposed geographic relocation, but we all have the strength to go on with our lives, secure in the knowledge that we can reach out and still be in contact with one another.

Since my second eldest sister had moved to England three years before my reunion, we did not meet when I met everyone else in 1974. Instead, I took out my life savings to fly to Liverpool in November of 1976 and stayed with my sister for one month. I went back for another visit in 1979. Money has not permitted a visit since then, and it is strange that the sister I have only spent six weeks with totally in my twenty-nine years of life, is the one I am closest to emotionally.

Because of the impact this has had on me, I became involved with Adoption Reform Groups since 1975. In January of 1980 I began writing my autobiography (which is scheduled to be completed by January of 1986). In June of 1984 I started a support group, Buffalo Adoption Lifeline.

I firmly believe that no sibling groups should be allowed to be separated through adoption. This is cruel punishment for innocent children who become innocent adults as time goes on.

I support all efforts to prevent sibling groups from being separated. Open Adoption is an example of how to keep siblings in contact with one another. I also support all efforts to establish a Nationwide Sibling Registry. I also support all efforts to regulate Surrogate Mothers and the lawyers who place these children so that the siblings involved can know eachother. I also support all efforts to regulate

Sperm Banks who allow a man to donate sperm (and be paid $35 for each ejaculation) from one to fifty to two hundred times --- and then ship the sperm all over the nation! Half sisters and brothers never know about eachother!

This completes my personal testimony.

To carry this one step further, I also wish to submit public testimony which goes beyond what happened to me and my own sisters and brothers. Following this personal letter is an Open Letter in Opposition of the Current New York State Adoption Reunion Registry. I wrote it, but only after several months of discussion with birthparents and adoptees who are strongly opposed to this ludicrous New York State Law. It was passed without actually helping anyone. The New York State Registry does more harm than good. I am submitting written testimony to help persuade legislators on a National level to override the damage done by the New York State Regisrty.

Please include all of this Personal and Public Testimony in the congressional hearing records of June 24th, concerning the Federal Public Law, P L 96-272, Adoption Assistance and Child Welfare Act of 1900.

Sincerely,

Ms Joan Wheeler born Doris Sippel

Ms. Joan Wheeler born Doris Sippel

Reunited Adoptee, Separated From
Nine Siblings at Birth

Coordinator, Buffalo Adoption
Lifeline

Buffalo Adoption Lifeline
P.O. Box 318
Buffalo, New York 14207

Open Letter In Opposition of the Current NYS Adoption Reunion Registry:

1. Adoptees are discriminated against by the $75 registration fee while Birthparents and Adoptive Parents pay only $20 each to register.
    - A. Should be one equal and reasonable fee for all Registrants.

2. For adoptions that occurred prior to April 1, 1984, each Birthparent and each Adoptive Parent must register before identifying information is released to the Adoptee--at an additional charge of $20 each.
    - A. It is absurd to charge such high fees to simply send a letter with a name and address identifying each registrant.
    - B. If Birthfather is not known and obviously cannot file, identifying information is withheld from Adoptee and Birthmother.
    - C. Provisions are made for the death of one or both Adoptive Parents. There are no provisions made for the deaths of one or both Birthparents.
        - 1. Adoptee is not given identifying information, nor told of the deaths.
    - D. There are no provisions made for the death of the Adoptee.
        - 1. In this case, Birthparents are not told of the Adoptee's death.

3. After a 3-way match is made, an additional charge of $50.00 is required by the Adoption Agency to release the information.
    - A. Some Adoption Agencies in the past were at least willing to help individuals and release information for free upon the request of consenting adults. Now they are prohibited by law to give out any information.
    - B. If the adoption records are kept in court documents in addition to being kept in adoption agencies or private lawyers files, the state should be able to obtain information from the surrogate or family court without taking unnecessary steps to involve agencies.
    - C. And, adoption agencies and private lawyers should be free to aid persons who seek their help.

4. The present registry gives an adoptee over 21 years of age the right to seek Identifying Information only with the adoptive parents' and birth parents permission.
   - A. NYS Age of Majority is 18. Anyone over 18 is considered an adult and does not need parental permission to do anything.
     1. Except, of course, Adoptees. We are continually labeled as "children" and are targets of discrimination.
     2. No adult over the age of 18 should be required by law to obtain written permission for anything they do. By the present Registry, a 45 year old Adoptee must ask permission of 70 year old Adoptive Parents!
     3. Adoptive parent permission is bad enough, but to require Birth Parent permission is another injustice forced upon the adoptee. Even if the birth parents do not want a reunion, they have a responsibility to pass on basic information to the adoptee.
     4. Conversly, the adoptive parents hold the determinating factor over the birth parents as well as the adoptee. If the birth parents wish a reunion and the adoptive parents say "no", then a reunion between 2 consenting adults is prevented. Adoptive parents should not have this power.
     5. If both adoptive and birth parents do not give their permission to the release of identifying information, the adoptee is still in limbo. To give such power of two sets of adults over another adult is to keep adoptees forever involved by the confidentiality that they did not ask for. A confidential contact, signed over a minor child, should not be binding when that child reaches adulthood.
     6. What constitutes "Identifying Information"? No where in the present NYS Registry does it state that "Identifying Information" includes the release of a Certified Copy of the Long Form Original, Pre-Adoptive, Birth Certificate. This document should be made available to Adult Adoptees upon request--at the same $5.00 fee that normal citizens are charged for their Birth Certificates--with or without the permission of either Adoptive or Birth Parents. Each American Citizen should have equal rights to their own birth records and personal history.

5. Present Registry does not adequately fulfill the needs of birthparents.
   - A. No provisions for Non-Identifying info to be released to the Birthparents on the Adoptee.
   - B. No provisions for Identifying info to be released if Adoptee is deceased.

C. No provisions to update and have access to existing files: medical records, names and addresses and occupations change over time. Birthparents should be able to make necessary changes in records so that Adoptee will have current info available.

D. No provisions to cover Birthfathers who fathered through Sperm Donation, who, at the time wanted anonymity but now wish contact for medical or personal reasons.

    1. Conversly, Adoptees conceived via. a Sperm Donor have little or no change of ever obtaining any information on their father.

E. No provisions have been made for the Birthparents extended family to register their siblings or Parents (the Adoptee's Aunts & Uncles and Grandparents) may wish to reunite with the adoptee.

F. Adoptive parents should have access to their child's medical files at all times, without the permission of the Birthparents--as a health safeguard for the Adoptee.

6. Present registry gives the Health Department and Adoption Agencies the power to censor information to be released to the Adoptee.

A. The government is taking away a basic freedom of all American citizens--the right to "life, liberty and pursuit of happiness." These basic rights are violated when circumstances and facts of a person's birth and adoption are censored.

B. Censorship treats Adoptees as children who must be protected from what other people consider to be "harmful information."

C. Only individual Adoptees themselves can decide what is harmful or not. Adoptees who search would rather know the complete truth than to be told half truths or nothing at all.

D. The United States Government does not censor geneological information readily available to the general public. But because Adoptees are in the Minority, we are not considered part of the general public and we are prohibited from tracing our family trees. The general public often finds "skeletons in the closet" but the Government is not concerned with censoring possible "harmful information" for everyone. Only Adoptees are "sheltered" by law.

E. Adoptees and Birthparents should have access to their own records--be given certified copies of documents on file.

F. Open records on demand of adults over the age of 18--and for minors involved in severe medical or psychological trauma--should be made into law. This includes the release of the original, Pre-Adoptive, Long Form, Birth Certificate.

7. For adoptions occurring after April 1, 1984, the consent of Adoptive Parents is not requested.
   A. A Registry should be retroactive to give free access to all persons. The present registry restricts those of us who want information now and liberates those who will be adults 21 years from now.

8. On the Registration form, Adoptees are asked if they are in contact with any biological brothers and sisters.
   A. There is no reason why this should be a determinating factor in the release of identifying or non-identifying information to the adoptee who registers.
      1. Very few sibling groups have been adopted together.
      2. If a sibling group was adopted together and the eldest reaches 21 years of age, this adoptee will be prohibited from knowing identifying or non-identifying information on the birthparents--because the minor brothers and sisters must be "protected." Again, the individual adoptee's rights are being violated in favor of someone else's rights. And, who is to say the minor siblings are interested in a reunion?
   B. One of the main reasons that adoptees search is to find out if they do have full or half blood siblings. This question is irrelevant for those who simply do not know.
   C. If siblings are in search of each other and the birthparents are not interested in a reunion, these siblings should be allowed to contact each other. There is no provision in the existing NYS registry to permit adult sibling reunions.

9. When people contact the registry, they wait for months for answers. Money is sent, but no information is released in return. What is the problem?

ALL MEMBERS OF THE ADOPTION TRIANGLE ARE DISCRIMINATED AGAINST BY THE PRESENT NYS ADOPTION REGISTRY. ADOPTEES ARE DENIED THEIR BIRTHRIGHT, BIRTHPARENTS ARE DENIED ANY KNOWLEDGE OF THEIR SON OR DAUGHTER, ADOPTIVE PARENTS ARE GIVEN TOO MUCH POWER OVER OTHER ADULTS. THE RIGHTS OF SIBLINGS (FULL AND HALF), AS WELL AS GRANDPARENTS AND OTHER FAMILY MEMBERS ARE IGNORED.

THE PRESENT REGISTRY IS MUCH TOO RESTRICTIVE. A FULL INVESTIGATION SHOULD BE MADE, WITH THE INTENT TO REVISE AND ENACT NEW LEGISLATION TO CORRECT PRESENT INADEQUACIES AND ENSURE THE RIGHTS AND INTERESTS OF EVERYONE.

PUBLIC NOTICE SHOULD BE GIVEN BEFORE ANY LEGISLATION OR ADOPTION IS MADE INTO LAW. THOSE OF US WHO ARE DIRECTLY AFFECTED BY THESE LAWS HAVE NOT BEEN ASKED FOR OUR INPUT. AS A DEMOCRATIC NATION, ALL PEOPLE SHOULD HAVE THE RIGHT TO VOTE ON PENDING LAWS. SOMEHOW, THOSE OF US IN THE ADOPTION TRIANGLE HAVE BEEN LEFT OUT OF THE DECISION-MAKING PROCESS.

PLEASE INCLUDE BUFFALO ADOPTION LIFELINE ON YOUR MAILING LIST TO KEEP US INFORMED OF PENDING LEGISLATION.

BUFFALO ADOPTION LIFELINE
P.O. BOX 318
BUFFALO, NEW YORK 14207

Joan Wheeler
Coordinator and Founder